# City Of Santee Regular Meeting Agenda

# Santee City Council Community Development Commission Santee Public Financing Authority

# Council / Commission / Authority Chamber 10601 Magnolia Avenue Santee, CA 92071

August 8, 2007 7:00 PM

(Call meeting to order as City Council/Community Development Commission/Public Financing Authority)

**ROLL CALL:** Mayor Randy Voepel

Vice Mayor John Minto

Council Members Jack Dale, Brian Jones and Hal Ryan

INVOCATION: Dr. Gwen Cooper, US West Falun Dafa

**PLEDGE OF ALLEGIANCE:** 

ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:

#### 1. CONSENT CALENDAR:

Consent Calendar items are considered routine and will be approved by one motion, with no separate discussion prior to voting. Council Members, staff or public may request specific items be removed from the Consent Calendar for separate discussion or action. Speaker slips for this category must be presented to the City Clerk before the meeting is called to order. Speakers are limited to 3 minutes.

(A) Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances on Agenda.

- (B) Approval of Meeting Minutes:
  Santee City Council 07-25-07 Regular Meeting
  Community Development Commission 07-25-07 Regular Meeting
  Santee Public Financing Authority 07-25-07 Regular Meeting
- (C) Approval of Payment of Demands as Presented.
- (D) Approval of the Expenditure of \$89,973.22 to Pay for July 2007 Legal Services and Related Costs, and the Appropriation of Funds.
- (E) Second Reading and Adoption of an Ordinance of the Santee City Council Authorizing an Amendment to the Contract Between the City Council of the City of Santee and the Board of Administration of the California Public Employees' Retirement System Adopting the Indexed Level of 1959 Survivor Benefits for Local Safety Members.
- (F) Authorization to Purchase City-Wide Computer Hardware and Software from Dell Marketing LP Per Western States Contracting Alliance (WSCA) Contract No. A63307.
- (G) Adoption of Resolution Accepting the Public Improvements for the Riverwalk Subdivision Phase I (TM 2004-01) Riverwalk Drive West of Park Center Drive.
- (H) Adoption of Resolution Authorizing the Execution of a Freeway Agreement for the Extension of State Route 52.
- (I) Authorization to Award Contract for Street Sweeping Services to cannon Pacific Inc. for Remainder of FY 07-08 Through FY 08-09 and Authorize the City Manager to Approve Subsequent Contract Renewals.
- (J) Appropriation of Funds and Approval of the Reimbursement Agreement for Construction of Street Improvements at the Riverwalk Subdivision (TM 2004-01) Riverwalk Drive West of Park Center Drive. (Relates to Item No. 9A)

#### 2. PUBLIC HEARINGS:

(A) Public Hearing to Consider an Ordinance Amending Section 17.06.050 of the Santee Municipal Code to Provide Reasonable Accommodation for Persons with Disabilities.

#### Recommendation:

- 1. Conduct the Public Hearing, and
- 2. Continue the Public Hearing to September 12, 2007 or Close the Public Hearing and Conduct First Reading of the Ordinance.

(B) Public Hearing to Consider an Ordinance Amending Various Sections of the Santee Municipal Code to Regulate Zoning of Group Care Facilities, Transitional Housing, Boarding Houses, and Congregate Care Facilities.

#### Recommendation:

- 1. Conduct the Public Hearing, and
- 2. Continue the Public Hearing to September 12, 2007 or Close the Public Hearing and Conduct First Reading of the Ordinance.
- (C) Public Hearing to Consider an Ordinance Amending Chapter 17.26 of the Santee Municipal Code Regarding Density Bonuses for Affordable and Senior Housing.

#### Recommendation:

- 1. Conduct the Public Hearing, and
- 2. Continue the Public Hearing to September 12, 2007 or Close the Public Hearing and Conduct First Reading of the Ordinance.
- 3. ORDINANCES (First Reading):

See 2A, 2B and 2C above.

- 4. CITY COUNCIL REPORTS:
- 5. CONTINUED BUSINESS:
  - (A) Resolution Adopting a Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts.

#### Recommendation:

1. Adopt Resolution adopting the "Statement of Goals and Polices Regarding the Establishment of Community Facilities Districts."

#### 6. NEW BUSINESS:

(A) Draft 2005-2010 Housing Element to the California Department of Housing and Community Development (HCD).

#### Recommendation:

1. Adopt Resolution Authorizing the City Manager to Send the Draft 2005-2010 Housing Element to the Sate of California Dept. of Housing and Community Development.

#### 7. COMMUNICATION FROM THE PUBLIC:

Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the Agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.

#### 8. CITY MANAGER REPORTS:

#### 9. COMMUNITY DEVELOPMENT COMMISSION:

(Note: Minutes appear as Item 1B)

(A) Appropriation of Funds to Pay for the Construction of Public Improvements Including Water Main and Conduit Installations necessary for Town Center Community Park. Location: Riverwalk Drive West of Park Center Drive. (Relates to Item No. 1J)

#### Recommendation:

1. Adopt Resolution Appropriating Funds.

#### 10. SANTEE PUBLIC FINANCING AUTHORITY:

(Note: Minutes appear as Item 1B)

11. CITY ATTORNEY REPORTS: None

12. CLOSED SESSION: None

#### 13. ADJOURNMENT:



Aug	06	City Charter Advisory Committee	Chamber Conf Rm
Aug	08	City Council/CDC/SPFA Meeting	Chamber
Aug	22	City Council/CDC/SPFA Meeting – CANCELLED	Chamber
Aug	23	Santee Human Relations Advisory Board	Building 1 Conf. Rm.
Sept	06	Santee Park and Recreation Committee	Building 6 Conf. Rm.
Sept	12	City Council/CDC/SPFA Meeting	Chamber
Sept	20	Santee Manufactured Home Fair Practice Commission	Chamber
Sept	24	Santee Community Oriented Policing Committee	Chamber Conf. Rm.
Sept	26	City Council/CDC/SPFA Meeting	Chamber
Sept	27	Santee Human Relations Advisory Board	Chamber Conf Rm

The Santee City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

For your convenience, a complete Agenda Packet is available for public review at the Santee Library, City Hall and on the City's website at <a href="https://www.ci.santee.ca.us">www.ci.santee.ca.us</a>.

The City of Santee complies with the Americans with Disabilities Act. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the American with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's Office at (619) 258-4100, ext. 112 at least 48 hours before the meeting, if possible.

State of California } AFF  County of San Diego } ss. City of Santee }	FIDAVIT OF POSTING AGENDA	
I, <u>Linda A. Troyan, MMC, City Clerk</u> of the Cit	cy of Santee, hereby declare, under penalty of perjury, to olution 61-2003 on <u>August 3, 2007</u> at <u>4:30 p.m.</u>	that a copy
	Signature	8/3/07 Date

MEETING DATE: August 8, 2007

# **AGENDA ITEM NO.**

ITEM TITLE APPROVAL OF MEETING MINUTES: SANTEE CITY COUNCIL, COMMUNITY DEVELOPMENT COMMISSION AND SANTEE PUBLIC FINANCING AUTHORITY REGULAR MEETING OF JULY 25, 2007.

**DIRECTOR/DEPARTMENT** Linda A. Troyan, MMC, City Clerk

# **SUMMARY**

Submitted for your consideration and approval are the minutes of the above meetings.

# FINANCIAL STATEMENT N/A

# **RECOMMENDATION**

Approve Minutes

# <u>ATTACHMENTS</u> (Listed Below)

Minutes

#### Minutes





Council Chambers 10601 Magnolia Avenue Santee, California

July 25, 2007

This Regular Meeting of the Santee City Council, Community Development Commission and the Santee Public Financing Authority was called to order by Mayor/Chairperson/Chair Randy Voepel at 7:05 p.m.

Council Members present were: Mayor/Chairperson/Chair Randy Voepel, Vice Mayor/Vice Chairperson/Vice Chair John W. Minto and Council/Commission/Authority Member Jack E. Dale, Brian W. Jones and Hal Ryan.

Staff present were: City Manager/Executive Director/Secretary Keith Till, Deputy City Manager/Director of Development Services Gary Halbert, City/Commission/Authority Attorney Shawn Hagerty, Finance Director/Treasurer Tim McDermott, Director of Community Services John Coates, Director of Fire and Life Safety Mike Rottenberg, Santee Sheriff's Captain Patricia Duke, Deputy City Clerk/Deputy Commission Secretary Patsy Bell, and Administrative Secretary Pam Coleman.

(Note: Hereinafter the titles Mayor, Vice Mayor, Council Member, City Manager, City Attorney, City Clerk and Deputy City Clerk shall be used to indicate Mayor/Chairperson/Chair, Vice Mayor/Vice Chairperson/Vice Chair, Council/Commission/Authority Member, City Manager/Executive Director/Secretary, City/ Commission/Authority Attorney, City Clerk/Commission Secretary, Deputy City Clerk/ Deputy Commission Secretary.)

**INVOCATION:** Pastor Wes Neal, Santee United Methodist Church

**PLEDGE OF ALLEGIANCE:** Collin McGlashen, District Chief of Staff for Assemblyman Joel Anderson

#### ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:

Mayor Voepel pulled Item 1(H) for discussion and requested Item 6(A) be continued to a date uncertain per the applicant's request.

- (A) Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances on Agenda.
- (B) Approval of Meeting Minutes:
  Santee City Council 07-11-07 Regular Meeting
  Community Development Commission 07-11-07 Regular Meeting
  Santee Public Financing Authority 07-11-07 Regular Meeting
- (C) Approval of Payment of Demands as Presented.
- (D) Approval of the Expenditure of \$92,623.91 to pay for June 2007 Legal Services and Related Costs, and the Appropriation of Funds.
- (E) Authorization to Enter into a 5-year Copier Lease Agreement with Xerox Per Utilization of Fresno Unified School District Contract Number 2512.
- (F) Approval to Sole-Source Pharmaceutical Purchases from Stat Pharmaceuticals in an Amount Not to Exceed \$13,000.
- (G) Adoption of a Resolution Authorizing an Increase in Staff's Authority to Approve Construction Contract Change Orders and Receipt of Change Order Status Report #5 for the Forester Creek Improvement Project, CIP 2002-21. (Reso 59-2007)
- (H) Removed for discussion.

**ACTION:** On motion of Vice Mayor Minto, seconded by Council Member Jones, the Agenda and Consent Calendar were approved as amended with all voting aye.

#### Removed from Consent Calendar for discussion:

(H) Approval of the Tenth Amendment to the Agreement with County of San Diego for the Provision of Animal Control Services and Authorization for the City Manager to Execute the Joint Operating and Financial Plan for FY 2007-08.

Council directed staff to research possible alternatives and to return the item in January.

**ACTION:** On motion of Mayor Voepel, seconded by Council Member Jones, the tenth amendment to the agreement with the County of San Diego for the provision of animal control services and authorization for the City Manager to execute the Joint Operating and Financial Plan for fiscal year 2007-08 was approved with all voting ave.

Out of courtesy to the Assemblyman, Item 7 was heard after the Consent Calendar.

#### 7. COMMUNICATION FROM THE PUBLIC:

(A) Collin McGlashen, District Chief of Staff for Assemblyman Joel Anderson, gave a legislative report to Council.

#### 2. CONTINUED BUSINESS:

(A) Parks and Recreation Master Plan Update. (Continued from 7/11/07)

The presentation was grouped into four policy categories. Director of Community Services Coates presented the first category and answered Council's questions. The item was continued after the first category was presented.

#### 3. PUBLIC HEARINGS:

(A) Public Hearing for Tentative Parcel Map (TPM07-03) and Development Review Permit (DR07-06) for a Two-Lot Subdivision of a 0.54-Acre Property at 9429 Pryor Drive in the R2 Low-Medium Density Residential Zone and Construction of One Single Family Residence on Parcel 2. Applicants: Mike and Patricia Donahue (Resos: TPM 60-2007 and DR 61-2007)

The Public Hearing opened at 7:48 p.m.

#### **PUBLIC SPEAKERS:**

In Opposition – Mark Dean

City Engineer Cresswell, Deputy City Manager/Director of Development Services Halbert, and City Attorney Hagerty answered questions regarding easement maintenance.

**ACTION:** On motion of Mayor Voepel, seconded by Council Member Jones, the Public Hearing was closed at 8:01 p.m., the Negative Declaration was approved as complete and in compliance with the provisions of the California Environmental Quality Act (CEQA), and the resolutions approving Tentative Parcel Map TPP07-03 and Development Review Permit DR07-06 were adopted with all voting aye.

(B) Public Hearing for a Conditional Use Permit (P07-04) to Establish a Private Club with the Sale of Alcoholic Beverages at 8790 Cuyamaca Street in the General Commercial Zone. Applicant: Veterans of Foreign Wars (Reso: 62-2007)

The Public Hearing opened at 8:01 p.m.

**Entered Into the Record**: Two letters in support from Glassker Lewis and Dave Whitsell were received at the beginning of the Council Meeting.

#### **PUBLIC SPEAKERS:**

In Support – Hubert and Karen Perry

Mayor Voepel stated that, throughout the years, the Santee Veterans of Foreign Wars has done a tremendous amount for the community including supporting City sponsored events; therefore, he wanted to waive the fees.

**ACTION:** On motion of Mayor Voepel, seconded by Council Member Minto, the Public Hearing was closed at 8:04 p.m., the resolution approving Conditional Use Permit P07-04 was adopted, and the Tentative Improvement and Building Permit Fees of \$150 were waived with all voting aye.

(C) Public Hearing for a Conditional Use Permit (P07-03) to Establish an Exterior Dog Run at 8802 Cuyamaca Street in the General Commercial Zone. Applicant: Cuyamaca Animal Hospital/Furry Friends Resort (Reso: 63-2007)

The Public Hearing opened at 8:06 p.m.

#### **PUBLIC SPEAKERS:**

In Support – Steve Laub and Dr. Lori Martin (applicants, available to answer questions)

Deputy City Manager/Director of Development Services Halbert answered Council's questions.

**ACTION:** On motion of Council Member Minto, seconded by Council Member Jones, the Public Hearing was closed at 8:08 p.m. and the resolution approving Conditional Use Permit P07-03 was adopted with all voting aye.

(D) Public Hearing for the Cheyenne Development for Tentative Map TM05-03 for 39 Residential Lots and 11 Open Space and HOA Lots, and Development Review Permit DR05-04 for the Construction of 39 Single Family Dwellings within the R-14 Low Density Residential and HL Hillside Limited Residential General Plan Designations. Applicant: Shoreline Communities

The Public Hearing opened at 8:08 p.m. Senior Planner Brunette presented the staff report.

During lengthy discussion, Senior Planner Brunette, Deputy City Manager/Director of Development Services Halbert and City Engineer Cresswell answered Council's questions.

#### **PUBLIC SPEAKERS:**

In Support

- Chris Darling (applicant)
- Rob McNelis

#### In Opposition

- Zoe Harris submitted a letter opposing the project
- Gerarld Belt
- Jo Malo
- Michael Conniry
- Nedra Ritter
- Ben Ritter
- Vonn Ritter
- Michael Doering
- Helene Deisher
- Edna Radzikowski
- Scott Demchak
- Laura Watson
- Mark Munsey

**MOTION:** Council Member Dale moved to direct staff to eliminate the southern portion of the development, to review the northern portion and the effects on the overall development and contribution towards mitigation and maintenance of the area, and to obtain additional information on blasting taking place in the north.

**FAILED MOTION**: After further discussion, Council Member Dale's motion failed due to a lack of a second.

**ACTION:** On motion of Council Member Minto, seconded by Council Member Jones, direction was given to staff in the following areas:

- Additional information on blasting
- Concern with gate being 200 feet from Magnolia
- Detailed, color copies of elevations
- Mitigate dust, dirt and noise issues
- Landscape plan (including information on what is going to be maintained by the HOA); and the public hearing was continued to a date uncertain with all voting aye, except Council Member Dale who voted no.
- 4. ORDINANCES (First Reading): None
- 5. CITY COUNCIL REPORTS:
  - (A) Selection of Voting Representative and Alternate for League of California Cities Annual Conference.

**ACTION:** After discussion, on motion of Council Member Ryan, seconded by Council Member Minto, Mayor Voepel was selected as the Representative with all voting aye, except Mayor Voepel who voted no.

B) Letter of Support for Energy Efficiency Legislation. (Voepel)

Mayor Voepel presented the staff report.

**ACTION:** On motion of Mayor Voepel, seconded by Council Member Dale, the letter of support was approved and staff was directed to pursue the Energy Efficiency Block Grant program with all voting aye.

#### 6. NEW BUSINESS:

(A) Resolution Adopting a Statement of Goals and Policies Regarding the Establishment of Community Facilities Districts, Approval of a Reimbursement Agreement with Lennar Homes, Approval of a Development Impact Fee Reimbursement Agreement and Authorizing the Execution of Professional Services Agreements in Consideration of the Formation of a Mello-Roos Community Facilities District (Sky Ranch).

Item 6(A) was continued to date uncertain at the applicant's request during "Items to be added, deleted, or re-ordered on agenda."

#### 7. COMMUNICATION FROM THE PUBLIC:

Item 7 heard before item 2(A).

8. **CITY MANAGER REPORTS**: None

#### 9. COMMUNITY DEVELOPMENT COMMISSION:

(Note: Minutes appear as Item 1B)

(A) Resolution of the Santee Community Development Commission Appropriating FY 2007-08 Funding in Response to the Proposed Expansion of the Las Colinas Detention Facility by the County of San Diego. (Reso: CDC 5-2007)

#### **PUBLIC SPEAKERS:**

In Support – Warren Savage, Santee Chamber of Commerce

**ACTION:** On motion of Mayor Voepel, seconded by Council Member Jones, the resolution authorizing the appropriation of \$50,000 from the Redevelopment Fund was adopted and the Executive Director or City Attorney were authorized to execute professional services agreements which may include economic and real estate market analysis, property appraisal, jail design services, governmental affairs, and environmental review with all voting aye.

	(Note: Minutes appear as Item 1B)
11.	CITY ATTORNEY REPORTS: None
12.	CLOSED SESSION: None
13.	ADJOURNMENT:
There	being no further business, the meeting was adjourned at 10:35 p.m.
Date A	Approved:
	Troyan, Commission Secretary or Authority Secretary Keith Till

10. SANTEE PUBLIC FINANCING AUTHORITY:

MEETING DATE August 8, 2007

**AGENDA ITEM NO.** 

ITEM TITLE PAYMENT OF DEMANDS

**DIRECTOR/DEPARTMENT** Tim K. McDermott/Finance

# **SUMMARY**

A listing of checks that have been disbursed since the last Council meeting is submitted herewith for approval by the City Council.

# **FINANCIAL STATEMENT**

Adequate budgeted funds are available for the payment of demands per the attached listing.

# **RECOMMENDATION**

Approval of the payment of demands as presented.

# **ATTACHMENTS** (Listed Below)

- 1) Payment of Demands-Summary of Checks Issued
- 2) Disbursement Journal

# Payment of Demands Summary of Checks Issued

<u>Date_</u> _	<u>Description</u>	Amount
07/18/07	Accounts Payable	\$ 452,403.86
07/25/07	Accounts Payable	1,355,432.38
08/02/07	Payroll	459,451.37
	TOTAL	\$2,267,287.61

I hereby certify to the best of my knowledge and belief that the foregoing demands listing is correct, just, conforms to the approved budget, and funds are available to pay said demands.

Tim K. McDermott, Director of Finance

# MEETING DATE August 8, 2007

# **AGENDA ITEM NO.**

ITEM TITLE

APPROVAL OF THE EXPENDITURE OF \$89,973.22 TO PAY FOR JULY 2007 LEGAL SERVICES AND RELATED COSTS, AND THE APPROPRIATION OF FUNDS

DIRECTOR/DEPARTMENT

Tim K. McDermott, Director of Finance

# **SUMMARY**

Legal service billings proposed for payment for the month of June 2007 total \$89,973.22 as follows:

- 1) General Retainer Services \$14,841.78
- 2) Labor & Employment \$625.60
- 3) Litigation & Claims \$21,249.94 (includes \$12,514.13 in outside consultant services for the power plant matter)
- 4) Special Projects (General Fund) \$12,726.66
- 5) Community Development Commission \$8,164.85 (includes \$7,171.25 in outside consultant services for the Las Colinas expansion matter)
- 6) Community Development Commission Housing (MHFP litigation) \$15,351.37
- 7) Applicant Initiated Projects (paid from developer deposits) \$17,013.02

# FINANCIAL STATEMENT

Account Description: Legal Services Account Number: Various accounts

General Fund:	<u>AMOUNT</u>	<u>BALANCE</u>
Original Budget	\$465,000.00	
Revised Budget	465,000.00	
Prior Expenditures	( 0.00)	
Current Request	( 49,443.98)	\$ 415,556.02
·	,	
Special Services (excluding applicant initiated items):		
Original Budget	\$ 385,000.00	
Revised Budget	385,000.00	
Prior Expenditures	( 0.00)	
Current Request	( 23,516.22)	\$ 361,483.78
	•	

# **RECOMMENDATION**

Approve the expenditure of \$89,973.22 for July 2007 legal services and related costs.

# **ATTACHMENTS (Listed Below)**

1) Legal Services Billing Summary

MEETING DATE: August 8, 2007 AGENDA ITEM NO.

**ITEM TITLE** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE,

CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF SANTEE AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ADOPTING THE INDEXED LEVEL OF 1959 SURVIVOR BENEFITS FOR LOCAL SAFETY MEMBERS

**DIRECTOR/DEPARTMENT** Linda A. Troyan, MMC, City Clerk

# **SUMMARY**

The introduction and first reading of the above-entitled Ordinance was approved at a Regular Council Meeting on July 11, 2007.

The Ordinance is now presented for second reading by title only, and adoption.

Vote at First Reading: AYES: DALE, JONES, MINTO, RYAN, VOEPEL

NOES: NONE ABSENT: NONE

# FINANCIAL STATEMENT N/A

# RECOMMENDATION

Approve Ordinance for adoption.

# **ATTACHMENTS** (Listed Below)

Ordinance

#### ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF SANTEE AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ADOPTING THE INDEXED LEVEL OF 1959 SURVIVOR BENEFITS FOR LOCAL SAFETY MEMBERS

**WHEREAS** the City of Santee participates in the California Public Employees' Retirement System; and

**WHEREAS**, the City of Santee may at times elect to amend its contract with the California Public Employees' Retirement System.

The City Council of the City of Santee, California, does ordain as follows:

**Section 1.** That an amendment to the contract between the City Council of the City of Santee and the Board of Administration, California Public Employees' Retirement System adopting the Indexed Level of 1959 Survivor Benefits for local safety members is hereby authorized, a copy of said amendment being attached hereto, marked "Exhibit", and by such reference made a part hereof as though herein set out in full.

**Section 2.** The Mayor of the Santee City Council is hereby authorized, empowered, and directed to execute said amendment for and on behalf of said Agency.

**Section 3.** This Ordinance shall take effect 30 days after the date of its adoption, and prior to the expiration of 15 days from the passage thereof shall be published at least once in the East County Californian, a newspaper of general circulation published and circulated in the County of San Diego, and thenceforth and thereafter the same shall be in full force and effect.

**INTRODUCED AND FIRST READ** at a Regular Meeting of the City Council of the City of Santee, California, held on the 11<sup>th</sup> day of July; and thereafter **ADOPTED** at a Regular Meeting of said City Council held on the 8th day of August; by the following vote to wit:

AYES:	
NOES:	
ABSENT:	
	APPROVED:
ATTEST:	RANDY VOEPEL, MAYOR
LINDA TROYAN, CITY CLERK	

Attachment: Exhibit – Amendment to Contract

MEETING DATE

August 8, 2007

**AGENDA ITEM NO.** 

<u>ITEM TITLE</u>

AUTHORIZATION TO PURCHASE CITY-WIDE COMPUTER HARDWARE AND SOFTWARE FROM DELL MARKETING LP PER WESTERN STATES CONTRACTING ALLIANCE (WSCA) CONTRACT NO. A63307

#### DIRECTOR/DEPARTMENT

Gary Halbert, Development Services

# **SUMMARY**

Approval of this purchase authorization initiates the implementation of a City wide 5-year technology replacement program for outdated computer hardware and software.

The City's purchasing Ordinance allows for utilization or joining of another public agency's competitive or competitively negotiated bid in order to capitalize on competitive pricing. In September 2004, Western States Contracting Alliance (WSCA), on behalf of the National Association of State Procurement Officials (NASPO), entered into a Master Price Agreement for the purchase of computer equipment, software, peripherals, and related services with Dell Marketing LP. (Ref. WSCA Contract No. A63307) The contract term is September 1, 2004 through August 31, 2007 with two (2) additional one-year renewal terms.

Staff recommends utilizing the above contract as needed to purchase city-wide hardware and software for an amount not to exceed \$25,000 for the remainder of FY07/08 and up to \$55,000 for FY08/09. Approximately \$18,000 has already been spent with Dell Marketing LP this fiscal year.

#### FINANCIAL STATEMENT

Sufficient funds are appropriated in the FY07/08 and FY08/09 two-year budget for the cost of computer hardware and software.

# **RECOMMENDATION**

Authorize the purchase city-wide computer hardware and software from Dell Marketing LP per Western States Contracting Alliance (WSCA) Contract No. A63307. Total amounts not to exceed \$25,000 for the remainder of FY07/08 and up to \$55,000 for FY08/09.

# **ATTACHMENTS** (Listed Below)

None

**MEETING DATE** 

August 8, 2007

**AGENDA ITEM NO.** 

ITEM TITLE

RESOLUTION ACCEPTING THE PUBLIC IMPROVEMENTS FOR THE

RIVERWALK SUBDIVISION - PHASE 1 (TM 2004-01).

LOCATION: RIVERWALK DRIVE WEST OF PARK CENTER DRIVE

**DIRECTOR/DEPARTMENT** Gary Halbert, Development Services

# **SUMMARY**

This item requests City Council accept the public improvements completed as a part of Phase 1 of the Riverwalk subdivision.

The public improvements constructed by Standard Pacific Corp., as a part of the Riverwalk development are complete and ready for acceptance and incorporation into the City maintained street system.

All required improvements along Riverwalk Drive - Phase 1, have been constructed in accordance with the Resolution of Approval, the accepted plans and to the satisfaction of the Director of Development Services. Phase 1 Improvements include all public improvements associated with the widening and extension of Riverwalk Drive from Park Center Drive, west to Cuyamaca Street.

The completion of the construction of Park Center Drive from Riverwalk Drive, north to Mast Boulevard will be constructed with Phase 2 of this project in coordination with the County of San Diego and the completion of the Edgemoor Skilled Nursing Facility.

# **ENVIRONMENTAL REVIEW**

Environmental review was completed at the time of development review approval.

# **FINANCIAL STATEMENT**

Acceptance of these public improvements will result in a minor increase in City street maintenance costs. These costs will be offset by increased tax revenues.

# RECOMMENDATION

Adopt the attached resolution

# <u>ATTACHMENTS</u> (Listed Below)

Resolution Vicinity Map

#### RESOLUTION ACCEPTING THE PUBLIC IMPROVEMENTS FOR THE RIVERWALK SUBDIVISION – PHASE 1 (TM 2004-01). LOCATION: RIVERWALK DRIVE WEST OF PARK CENTER DRIVE

**WHEREAS,** Standard Pacific Corp., the developer of the Riverwalk Subdivision, entered into an improvement agreement to construct certain public improvements; and

WHEREAS, the public improvements along Riverwalk Drive, Phase 1, are constructed according to the improvement agreement, accepted plans and to the satisfaction of the Director of Development Services; and

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Santee, California, does hereby accept the public improvements for Phase 1 and incorporates them into the City's maintained street system.

**BE IT FURTHER RESOLVED** that the City Council does hereby direct the City Clerk to release fifty percent (50%) of the Faithful Performance Bond and retain fifty percent (50%) until completion of Phase 2. The clerk shall retain fifty percent (50%) of the Labor and Material Bond for six months after which it may be released and retain the remaining fifty percent (50%) until completion of Phase 2. The retained bonds shall be released upon approval of the Director of Development Services.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 8th of August 2007, by the following roll call vote to wit:

AYES:	
NOES:	
ABSENT:	
	APPROVED:
	DANDY VOEDEL MAYOR
	RANDY VOEPEL, MAYOR
ATTEST:	
LINDA A. TROYAN, MMC, CITY CLERK	

. . . . . .

# MEETING DATE August 8, 2007

# AGENDA ITEM NO.

#### ITEM TITLE

CITY COUNCIL AUTHORIZATION TO EXECUTE A FREEWAY AGREEMENT FOR THE EXTENSION OF STATE ROUTE 52.

#### DIRECTOR/DEPARTMENT Gary Halbert/Development Services

# **SUMMARY**

This item requests City Council authorize execution of a Freeway Agreement between the City of Santee and the California Department of Transportation for the extension of State Route 52.

This agreement is required by the State of California to ensure the future disposition of excess right-of-way acquired for the SR-52 project as it pertains to local streets. An example of this is the future closure of Railroad Avenue where it abuts the freeway right-of-way. Railroad Avenue will terminate with a cul-de-sac north and south of the freeway. Caltrans has acquired right-of-way to construct the future cul-de sac's and upon completion of construction, per the agreement, the City will accept this acquired right-of-way and maintenance of Railroad Avenue at these two locations.

City staff and the City Attorney have reviewed the agreement and recommend execution of the agreement.

# **ENVIRONMENTAL REVIEW**

N/A

# FINANCIAL STATEMENT

No impact.

# RECOMMENDATION

Adopt the attached resolution authorizing the City Manager to execute the agreement on behalf of the City.

# **ATTACHMENTS** (Listed Below)

Resolution

Freeway Agreement

# RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, AUTHORIZING EXECUTION OF A FREEWAY AGREEMENT FOR THE EXTENSION OF STATE ROUTE 52

WHEREAS, the construction of the extension of State Route 52 requires a Freeway Agreement by and between the City of Santee and the California Department of Transportation for improvement to local City streets; and

**WHEREAS**, the agreement is necessary for the closing of certain streets, the relocation of streets and the construction of said streets; and

**WHEREAS**, upon completion of construction the City agrees to accept excess right-of-way acquired for the streets and the maintenance of said streets.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Santee, California, does hereby approve the agreement and authorize the City Manager to execute the agreement on it's behalf.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 8th day of August, 2007, by the following roll call vote to wit:

AYES:	
NOES:	
ABSENT:	
	APPROVED:
	RANDY VOEPEL, MAYOR
ATTEST:	
LINDA A. TROYAN, MMC, CITY CLERK	

11-SD-52 PM 15.1/17.7 On Route 52 from Fanita Drive to Route 67

# FREEWAY AGREEMENT

THIS	AGREEMENT,	made	and	entered	into	on	this	day of
	, 20	, by a	and be	etween the	e STA	TE C	OF CAI	IFORNIA acting by and through the
Depart	ment of Transporta	ation (he	erein 1	referred to	as "S"	TAT]	E"), and	d the City of Santee (herein referred to
as "CI	ΓY"),							

#### WITNESSETH:

WHEREAS, the highway described above has been declared to be a freeway by Resolution of the California Transportation Commission on July 27, 1989; and

WHEREAS, a plan map for such freeway has been prepared showing the proposed plan of the STATE as it affects streets of the CITY.

#### NOW, THEREFORE, IT IS AGREED:

- 1. CITY agrees and consents to the closing of CITY streets, relocation of CITY streets, contruction of frontage roads and other local streets, and other construction affecting CITY streets, all as shown the plan map attached hereto marked Exhibit A and made a part hereof by the reference.
- 2. STATE shall, in construction of the freeway and at STATE'S expense, make such changes affecting CITY streets in accordance with the plan map attached hereto marked Exhibit A.
- 3. STATE agrees to acquire all necessary right of way as may be required for construction, reconstruction, or alteration of CITY streets, frontage roads and other local streets, and CITY hereby authorized STATE to acquire in its behalf all such necessary right of way.
- 4. It is understood between the parties that the right of way may be acquired in sections or units, and that both as to the acquisition of right of way and construction of the freeway projects, the obligations of STATE hereunder shall be carried out at such time and for such unit or units of the projects as funds are budgeted and made lawfully available for such expenditures.
- 5. CITY will accept control and maintenance over each of the relocated or reconstructed CITY streets, and the frontage roads and other STATE constructed local streets on receipt of written notice to CITY from STATE that the work thereon has been completed, except for any portion which is adopted by STATE as a part of the freeway property. CITY will accept title to the portions of such streets lying outside the freeway limits upon relinquishment by STATE.
- 6. This Agreement may be modified at any time by the mutual consent of the parties hereto, as may become necessary for the best accomplishment, through STATE and CITY cooperation of the whole freeway project for the benefit of the people of the STATE and of the CITY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers.

STATE OF CALIFORNIA Department of Transportation	THE CITY OF SANTEE By
WILL KEMPTON Director of Transportation By	KEITH TILL City Manager
	APPROVED AS TO FORM:
MADIZ I DIA	CHA WALHA CERTY
MARK LEJA Chief Design Engineer	SHAWN HAGERTY City Attorney
APPROVED AS TO FORM:	
Attorney, State	_

MEETING DATE AUGUST 8, 2007 AGENDA ITEM NO.

<u>ITEM TITLE</u> AUTHORIZATION TO AWARD CONTRACT FOR STREET

SWEEPING SERVICES TO CANNON PACIFIC INCORPORATED FOR REMAINDER OF FY07/08 THROUGH FY08/09 AND AUTHORIZE CITY MANAGER TO APPROVE

SUBSEQUENT CONTRACT RENEWALS

**DIRECTOR/DEPARTMENT** John W. Coates, Community Services

#### SUMMARY

The City's contract for Street Sweeping Services expired June 30, 2007 and is currently operating under a 90—day extension due to expire September 30, 2007. In compliance with the City's purchasing ordinance, the Finance Department administered a formal bid process for street sweeping services. On July 23, 2007, the following four bids were received and evaluated:

Canon Pacific Services Incorporated \$154,696.28
Day and Night Power Sweeping \$164,982.76
Clean Street \$210,787.36
Contract Sweeping Services \$248,773.46

Based on the requirements for lowest responsive responsible bidder, staff recommends awarding the contract to Canon Pacific Services Incorporated for a pro-rated amount of \$128,913.60 for the remainder of FY07/08 and \$154,696.28 for FY08/09. The initial term of this contract will be September 1, 2007 through June 30, 2009 with four additional 12-month options to renew.

Staff is also requesting that City Council authorize the City Manager to approve future purchase orders per subsequent contract renewals should the City opt to do so and change orders up to 10% of the current contract.

#### FINANCIAL STATEMENT

Funding for this contract is in the approved Fiscal Years 2007-08 and 2008-09 Budget.

#### RECOMMENDATION

Award the contract for Street Sweeping Services to Cannon Pacific Services Incorporated, authorize City Manager to approve four (4) subsequent 12-month options to renew should the City opt to do so, and authorize City Manager to approve contract change orders up to 10% of the current contract.

# **ATTACHMENTS** (Listed Below) N/A

#### MEETING DATE

August 8, 2007

# **AGENDA ITEM NO.**

#### ITEM TITLE

APPROPRIATION OF FUNDS AND APPROVAL OF THE REIMBURSEMENT AGREEMENT FOR CONSTRUCTION OF STREET IMPROVEMENTS AT THE RIVERWALK SUBDIVISION (TM 2004-01), LOCATION: RIVERWALK DRIVE WEST OF PARK CENTER DRIVE.

#### DIRECTOR/DEPARTMENT

Gary Halbert, Development Services

# **SUMMARY**

The Riverwalk residential subdivision project was approved by Resolution No. 58-2004. During the course of construction of the project, the applicant, Standard Pacific, constructed certain public improvements at the request of the City, which are subject to reimbursement upon acceptance by the City. The improvements relate to certain street, traffic signal and drainage improvements. The acceptance and reimbursement of the improvements has been split into two phases. Phase 1 improvements consist of the surface and subsurface road improvements on Riverwalk Drive outside and west of the project boundary to Cuyamaca Street; installation of a reclaimed waterline from the western project boundary to the YMCA; installation of dry utilities between Park Center Drive west to Cuyamaca Street; and half width improvements of Riverwalk Drive beyond the project boundary east to Park Center Drive. Phase 2 improvements are associated with the construction of Park Center Drive from Riverwalk Drive, north to Mast Boulevard. Presently, Phase 2 improvements are not ready for acceptance by the City and are not included in the attached Reimbursement Agreement.

This item requests approval of the attached Reimbursement Agreement with Standard Pacific, agreeing to reimbursement of Phase 1 improvements costs only, and appropriation of Traffic Funds for the Phase 1 improvements only. Staff has reached agreement with Standard Pacific on the cost and amount to be reimbursed for the Phase 1 improvements. The attached Staff Report details the reimbursement amounts for the Phase 1 improvements and the fee credits that have already been applied. City Council acceptance of the Phase 1 improvements is requested as a separate item on this agenda. Additional funding for the Phase 1 improvements is requested from Redevelopment Funds as a separate item on this agenda and on the Community Development Commission agenda.

# FINANCIAL STATEMENT

Funds are available the Traffic Mitigation Fund for full reimbursement of Phase 1 street improvements.

# **RECOMMENDATION**

Appropriate \$109,389.05 from the Traffic Mitigation Fund for full reimbursement to the developer and authorize the City Manager to execute the Reimbursement Agreement.

# **ATTACHMENTS** (Listed Below)

Staff Report
Reimbursement Agreement

# STAFF REPORT RIVERWALK SUBDIVISION (TM 2004-01) AUGUST 8, 2007

With approval of the Riverwalk residential subdivision, the developer of the project, Standard Pacific Corporation, was requested by the City to construct certain street, traffic signal, and drainage improvements, subject to reimbursement by the City. The improvements also included extension of a reclaimed water line and dry utility conduits to serve Town Center Community Park. The direct benefit to the City with the installation of the water line and conduits was a saving in pavement costs which would have been required if these improvements had been delayed and the City was to perform the work after construction of the street. It also would have required trenching through the newly constructed street. In addition, we were able to coordinate with the County of San Diego and have them pay for installation of dry utility conduits across the future Edgemoor Skilled Nursing Facility. The reclaimed water line was a condition of Padre Dam Municipal Water District at the time the YMCA Aquatics Center was constructed. PDMWD agreed to allow the use of potable water for irrigation at the YMCA with the understanding that when the next phase of the park was constructed, reclaimed water would be installed for irrigation. The dry utility conduits are necessary to eliminate existing overhead utilities across the park site which must be done as soon as possible, so as to not impact the park construction timeline.

As identified in the agenda statement the public improvements and reimbursement of those improvements are being separated into two phases. Phase 1 is the construction of Riverwalk Drive and Phase 2 is the construction of Park Center Drive and the future channel improvements to Woodglen Vista channel. The primary reason for the phasing is a delay in the completion of the Phase 2 improvements which are tied to the completion of the Edgemoor Skilled Nursing Facility, contemplated in December 2008.

Staff has reviewed the costs submitted by the developer for reimbursement and have reached agreement on the following amounts:

# <u>Traffic Improvements: To be paid from Traffic Funds</u>

Construction Cost = \$ 502,121.05 (widen Riverwalk Drive)

\$ 100,037.00 (YMCA entrance and south side of Riverwalk)

TOTAL = \$ 602,158.05

City's Share (100%) = \$602,158.05 Traffic fee credits applied = \$492,769.00 >

Reimbursement Amount = \$109,389.05

# Park Improvements: To be paid from Redevelopment Funds

(See related CDC agenda item)

Construction Cost = \$300,431.88 (install reclaimed water line)

\$158,005.24 (install dry utilities)

\$ 67,476.80 (dry utilities at culvert Riverwalk Drive)

City's Share (100%) = \$525,913.92

Reimbursement Amount = \$525,913.92

# REIMBURSEMENT AGREEMENT FOR CONSTRUCTION OF PHASE 1 - STREET IMPROVEMENTS AT THE RIVERWALK SUBDIVISION (TM 2004-01)

This Reimbursement Agreement (hereinafter called "Agreement") is made this 8<sup>th</sup> day of August, 2007, by and between Standard Pacific Corporation, a Delaware Corporation (hereinafter called "Developer") and the City of Santee, California, a Municipal Corporation of the State of California (hereinafter called "City"), with reference to the following facts:

#### **RECITALS**

- A. On June 9, 2004, the City Council of the City of Santee (hereinafter called "Council") adopted Resolution No. 58-2004 (hereinafter called "Resolution"), approving Tentative Map TM 2004-01 for a residential subdivision located on the north side of Riverwalk Drive located west of Park Center Drive; and
- B. In Section 3, paragraph 6 (b), the Resolution stipulates that the Developer participate with the City by installing certain street improvements (hereinafter called "Improvements") on Riverwalk Drive; and
- C. All required improvements that are a part of this reimbursement agreement have been constructed in accordance with the Resolution of Approval, the accepted plans, and to the satisfaction of the Director of Development Services; and
- D. As stated in Resolution No. 58-2004, the City will reimburse or credit one hundred percent (100%) of the cost of the Improvements; and
- E. The Developer has constructed the Improvements in consideration for the City's agreement to reimburse Developer for one hundred percent (100%) of the construction cost as defined in the Resolution; and
- F. The City has and will make full reimbursement for the street and park improvements for Phase 1 at the time of approval of this Agreement; and

NOW THEREFORE, the City and the Developer agree as follows:

1. <u>Reimbursement to Developer.</u> City agrees to reimburse the Developer one hundred percent (100%) of construction costs of the improvements, minus traffic impact fee credits for a total reimbursement amount as follows:

#### **Traffic Improvements**

Construction Cost = \$ 502,121.05 (widen Riverwalk Drive)

\$ 100,037.00 (YMCA entrance and south side of Riverwalk

TOTAL = \$ 602,158.05

City's Share (100%) = \$602,158.05 Traffic fee credits applied = \$492,769.00 >

Reimbursement = \$ 109,389.05

#### **Park Improvements**

Construction Cost = \$300,431.88 (install reclaimed water line)

\$158,005.24 (install dry utilities)

\$ 67,476.80 (dry utilities at culvert Riverwalk Drive)

TOTAL = \$ 525,913.92

City's Share (100%) = \$525,913.92

Reimbursement = \$ 525,913.92

- 2. <u>Default.</u> Any failure by either party to this Agreement to timely perform any material obligation under this Agreement or to cure any breach of this Agreement after receipt of thirty (30) days notice thereof from the other party to this Agreement shall be considered a Default and shall entitle the non-breaching party to terminate this Agreement and/ or seek remedies for such Default as provided in Paragraph 4 hereof.
- 3. <u>Notice</u>. Whenever required by this Agreement, notice shall be given to the following addresses by certified mail or personal delivery, and shall be deemed given upon actual delivery or three (3) days after such notice is sent to the addresses listed below, even if actual delivery is willfully refused by the party to whom such notice was given.

#### City

City of Santee 10601 Magnolia Avenue Santee, CA 92071

Attn.: Steven Cresswell, City Engineer

#### Developer

Standard Pacific Corp., A Delaware Corporation 5750 Fleet Street, Suite #200 Carlsbad, CA 92008

Attn.: Thomas C. Farrar, Senior Project Manager

4. Remedies. In the event of a Default by either party to this Agreement, the rights and responsibilities set forth in this Agreement may be enforced by litigation at either party's election due to the other party's breach. In case of breach, the non-defaulting party may seek any remedies as may be available at law or in equity.

- 4.1 <u>Fees and Costs</u>. It is understood and agreed that the prevailing party shall be entitled to costs and reasonable attorney fees in enforcing the terms of this Agreement, including the costs of appeal.
- 4.2 <u>Venue</u>. In case of litigation, this Agreement shall be interpreted under the laws of the State of California. Venue shall be in the San Diego Superior Court, El Cajon Branch, California.
- 5. <u>Severability.</u> Provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual consent of the parties.
- 6. <u>Captions.</u> The captions of this Agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction, or meaning of any provision of this Agreement.
- 7. <u>Entire Agreement.</u> This Agreement constitutes the entire agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this Agreement must be in writing and signed by the appropriate representatives of the parties. In the case of the City, the appropriate party shall be the City Manager.

IN WITNESS WHEREOF, this Agreement has been duly executed on the date and year first written above by the following parties:

STANDARD PACIFIC CORP. A Delaware corporation	THE CITY OF SANTEE  A California municipal corporation
Ву:	 By: Keith Till, City Manager
Its:	<u> </u>
	Attest:
	Linda A. Troyan, MMC, City Clerk
	Approved as to Form:
	Shawn Hagerty, City Attorney

Approved as to Content:
Steven Cresswell, City Engineer

# **MEETING DATE** August 8, 2007

#### **AGENDA ITEM NO.**

<u>ITEM TITLE</u> PUBLIC HEARING TO AMEND SECTION 17.06.050 OF THE SANTEE MUNICIPAL CODE TO PROVIDE REASONABLE ACCOMMODATION FOR PERSONS WITH DISABILITIES

**DIRECTOR/DEPARTMENT** Gary Halbert, Development Services

# **SUMMARY**

The General Plan was comprehensively updated in 2003, with attendant changes to the Zoning Ordinance. To ensure the Zoning Ordinance remains current and effective in achieving the City's General Plan vision, the City Council authorized staff to proceed with a phased work program at the June 13, 2007 City Council meeting. The attached ordinance is part of the first phase of the work program and proposes revisions to Section 17.06.050 of the Santee Municipal Code (Minor Exception) providing reasonable accommodation for persons with disabilities.

The City currently does not have a formal process through which persons with disabilities can seek relief from zoning standards as necessary to ensure accessibility. The amendment would allow the Director to waive or reduce residential development standards as necessary to ensure accessibility of dwelling units for persons with disabilities through the existing Minor Exception process consistent with the Fair Housing Act Amendments (FHAA) and the California Fair Employment and Housing Act (FEHA). The Minor Exception application fee would be waived for reasonable accommodation requests.

# **ENVIRONMENTAL REVIEW**

The amendment to the Zoning Ordinance is exempt from the requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) because the changes reinforce existing planning standards and General Plan policies and objectives contained in the Housing Element and could not have a significant effect on the environment.

# FINANCIAL STATEMENT

Not applicable

# **RECOMMENDATION**

 Open the Public Hearing, Discuss and if appropriate, (a) Continue the Public Hearing to September 12, 2007; or (b) Close the Public Hearing and Conduct First Reading of the Ordinance.

# **ATTACHMENTS**

Staff Report Ordinance

#### STAFF REPORT

# AMENDMENT TO SECTION 17.06.050 OF THE SANTEE MUNICIPAL CODE TO PROVIDE REASONABLE ACCOMMODATION FOR PERSONS WITH DISABILITIES CITY COUNCIL MEETING AUGUST 8, 2007

Notice of Public Hearing was published in the San Diego Union Tribune on Saturday, July 21, 2007.

#### A. BACKGROUND

The General Plan was comprehensively updated in 2003, with attendant changes to the Zoning Ordinance. To ensure that the Zoning Ordinance remains current and effective in achieving the City's General Plan vision, the City Council authorized staff to proceed with a proposed a phased work program at the June 13, 2007 City Council meeting. The first phase includes revisions to Section 17.06.050 of the Municipal Code (Minor Exception) to provide reasonable accommodation for persons with disabilities.

#### **ANALYSIS**

The City currently does not have a formal process through which persons with disabilities can seek relief from zoning standards as necessary to ensure accessibility. The amendment would allow the Director to waive or reduce residential zoning standards as necessary to ensure accessibility of dwelling units for persons with disabilities through the Minor Exception process consistent with the Fair Housing Act Amendments (FHAA) and the California Fair Employment and Housing Act (FEHA). Specifically, Section 17.060.050 is proposed for amendment, as shown in underlined text, as follows:

Section 17.06.050, Subsection (A) to be amended to read in its entirety as follows:

(A) Purpose and Intent. In order to provide flexibility necessary to achieve the objectives of the Development Code, selected site development regulations and applicable off-street parking requirements are subject to administrative review and adjustment in those circumstances where such adjustment will be compatible with adjoining uses, or necessary to provide reasonable accommodation for persons with disabilities consistent with state or federal law, and consistent with the goals and objectives of the General Plan and the intent of the Code.

Section 17.06.050, subsection (B) would be amended by adding a new Subsection B.8 to read as follows

(8) Reasonable Accommodation. In any residential district the Director may waive or reduce any provision of this Title within reason and as necessary to ensure accessibility of residential dwelling units for persons who may be considered handicapped or disabled under federal or state law.

Section 17.06.050, Subsection (C) would be amended to read in its entirety as follows:

(C) Application. An application for a Minor Exception shall be filed with the Planning Division, in a form prescribed by the Director. No Minor Exception application fee shall be collected for reasonable accommodation requests filed pursuant to this Section.

#### **ENVIRONMENTAL**

The amendment to the Zoning Ordinance is exempt from the requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) because the changes reinforce existing planning standards and General Plan policies and objectives contained in the Housing Element and could not have a significant effect on the environment.

#### STAFF RECOMMENDATION

1. Open the Public Hearing, Discuss and if appropriate, (a) Continue the Public Hearing to September 12, 2007; or (b) Close the Public Hearing and Conduct First Reading of the Ordinance.

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, AMENDING SECTION 17.06.050 OF THE SANTEE MUNICIPAL CODE TO PROVIDE REASONABLE ACCOMMODATION FOR PERSONS WITH DISABILITIES

WHEREAS, both the federal Fair Housing Act Amendments (FHAA) and the California Fair Employment and Housing Act (FEHA) require that local governments make reasonable accommodations in their zoning laws and other land use regulations and practices when such accommodations are necessary to afford persons with disabilities an equal opportunity to use and enjoy a dwelling; and

WHEREAS, the Attorney General of the state of California issued a letter encouraging cities to adopt a formal procedure for processing requests from persons with disabilities for relief from the strict terms of local zoning ordinances; and

WHEREAS, the City's Zoning Ordinance does not provide a formal process through which persons with disabilities can seek relief from residential zoning standards as necessary to ensure accessibility of their homes; and

**WHEREAS**, the City Council seeks to provide reasonable accommodation to persons with disabilities as necessary to ensure an equal opportunity to use and enjoy a dwelling in accordance with the requirements of the State Department of Housing and Community Development ("HCD"); and

WHEREAS, the City Council finds that the City's Zoning Code should be amended to ensure conformity with the federal FHAA and state FEHA, including, without limitation, to provide a procedure that allows the City to receive, evaluate, and approve applications to accommodate certain requests for relief from residential zoning standards to ensure accessibility; and

WHEREAS, the City Council finds that this ordinance complies with and implements the federal FHAA and the state FEHA by establishing a reasonable accommodation process through which persons with disabilities can seek relief from residential zoning standards, initiated by filing an application without fee for a "Minor Exception"; and

**WHEREAS**, on August 8, 2007 the City Council held a duly advertised and noticed public hearing on ZA 07-02,

**NOW THEREFORE,** THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

**Section 1.** Section 17.06.050, Subsection (A) is hereby amended in its entirety to read as follows:

(A) Purpose and Intent. In order to provide flexibility necessary to achieve the objectives of the Development Code, selected site development regulations and applicable off-street parking requirements are subject to administrative review and adjustment in those circumstances where such adjustment will be compatible with adjoining uses or necessary to provide reasonable accommodation for persons with disabilities, and consistent with state or federal law, and consistent with the goals and objectives of the General Plan and the intent of the Code.

Section 2. Subsection (B)(8) is hereby added to Section 17.06.050 to read as follows:

8. Reasonable Accommodation. In any residential district the Director may waive or reduce any provision of this Title within reason and as necessary to ensure accessibility of residential dwelling units for persons who may be considered handicapped or disabled under federal or state law.

<u>Section 3.</u> Section 17.06.050, Subsection (C) is hereby amended in its entirety to read as follows:

(C) Application. An application for a Minor Exception shall be filed with the Planning Division, in a form prescribed by the Director. No Minor Exception application fee shall be collected for reasonable accommodation requests filed pursuant to this Section.

<u>Section 4.</u> Severability. If any provision or clause of this Ordinance or the application thereof is held unconstitutional or otherwise invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions, clauses, or applications of this Ordinance which can be implemented without the invalid provision, clause, or application, it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, adopted and/ or ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, and/or phrases may be declared invalid or unconstitutional.

<u>Section 5.</u> The City Clerk is hereby directed to certify the adoption of this ordinance and cause the same to be published as required by law.

**Section 6.** This Ordinance shall become effective thirty (30) days after its passage.

<u>Section 7.</u> The City Clerk is hereby directed to certify the adoption of this ordinance and cause the same to be published as required by law.

INTRODUCED AND FIRST READ at a Regular Meeting of the City Council of the City of	
Santee, California, on the day of, 2007, and thereafter ADOPTED at	
Regular Meeting of said City Council held on the day of, 2007, by the following vot	е
to wit:	
AYES:	
NOES:	
ABSENT:	
APPROVED:	
RANDY VOEPEL, MAYOR	
ATTEST:	

LINDA A. TROYAN, MMC, CITY CLERK

### MEETING DATE August 8, 2007 NO.

#### **AGENDA ITEM**

<u>ITEM TITLE</u> PUBLIC HEARING TO AMEND VARIOUS SECTIONS OF THE SANTEE MUNICIPAL CODE TO REGULATE ZONING OF GROUP CARE FACILITIES, TRANSITIONAL HOUSING, BOARDING HOUSES, AND CONGREGATE CARE FACILITIES

**<u>DIRECTOR/DEPARTMENT</u>** Gary Halbert, Development Services

#### **SUMMARY**

The General Plan was comprehensively updated in 2003, with attendant changes to the Zoning Ordinance. To ensure the Zoning Ordinance remains current and effective in achieving the City's General Plan vision, the City Council authorized staff to proceed with a phased work program at the June 13, 2007 City Council meeting. The attached ordinance is part of the first phase of the work program and proposes revisions to the Zoning Ordinance to define and regulate group care facilities, transitional housing, boarding houses, and congregate care facilities. These revisions are needed to bring the Zoning Ordinance into compliance with State law and provide for local control to the maximum extent practicable. The revisions for congregate care facilities will provide additional opportunities for the development of senior active living facilities with appropriate amenities.

#### **ENVIRONMENTAL REVIEW**

The amendment to the Zoning Ordinance is exempt from the requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) because the changes reinforce existing planning standards and General Plan policies and objectives contained in the Housing Element and could not have a significant effect on the environment.

#### FINANCIAL STATEMENT

Not applicable

#### **RECOMMENDATION**

1. Open the Public Hearing, Discuss and if appropriate, (a) Continue the Public Hearing to September 12, 2007; or (b) Close the Public Hearing and Conduct First Reading of the Ordinance.

#### **ATTACHMENTS**

Staff Report Ordinance

#### STAFF REPORT

# AMENDMENT TO VARIOUS SECTIONS OF THE SANTEE MUNICIPAL CODE TO REGULATE ZONING OF GROUP CARE FACILITIES, TRANSITIONAL HOUSING, BOARDING HOUSES, AND CONGREGATE CARE FACILITIES CITY COUNCIL MEETING AUGUST 8, 2007

Notice of Public Hearing was published in the San Diego Union Tribune on Saturday, July 21, 2007.

#### A. BACKGROUND

The General Plan was comprehensively updated in 2003, with attendant changes to the Zoning Ordinance. To ensure the Zoning Ordinance remains current and effective in achieving the City's General Plan vision, the City Council authorized staff to proceed with a phased work program at the June 13, 2007 City Council meeting. The first phase includes revisions to the Zoning Ordinance to define and regulate group care facilities, transitional housing, boarding houses, and congregate care facilities.

#### **ANALYSIS**

#### **Group Care Facilities**

Group care facilities are shared living quarters for persons with physical or mental impairments that substantially limit one or more of such person's major life activities. This classification also includes, group homes, sober living environments, recovery facilities, and establishments providing non-medical care for persons in need of personal services, supervision, protection or assistance essential for sustaining the activities of daily living.

Group care facilities that are located within 300 feet of one another are likely to create a "campus" effect resulting in an unwarranted intensification of uses in those neighborhoods and can have adverse impacts related to noise, traffic, and parking. The proposed amendment provides a mechanism for the City to address this potential over concentration of facilities.

This Zoning Ordinance revision would enable the City to regulate group care facilities to the maximum extent practicable by providing a mechanism for the reasonable accommodation of unlicensed group homes serving seven or more persons who may be considered handicapped in accordance with the Federal Fair Housing Act Amendments.

A Federal Exemption Permit (FEP) would be required to establish an unlicensed residential group care facility to serve the needs of persons with disabilities in the R2, R7, R14, and R22 zones. Prior to granting the FEP, the City would need to find that the use would not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity. In making this finding, the City may consider whether the group care facility subject to the FEP would be located within 300 feet of any other group care facility.

The revision would also permit group care facilities serving six or fewer persons by right within all residential zones as required by State law.

#### **Transitional Housing**

Transitional housing is part of a continuum of care strategy to end chronic homelessness. As currently defined in the City's Zoning Ordinance, transitional housing is non-transient housing and appropriate supportive services for homeless designed to enable them to acquire a stable income and move to independent living within an eighteen month period. The Zoning Ordinance does not specifically identify zones that permit or conditionally permit transitional housing. Although the intent was to consider this type of housing as similar to state-licensed residential care facilities, transitional housing does not require a state license and therefore should be classified as a separate and distinct use in the Zoning Ordinance.

The revision would regulate transitional housing to the maximum extent allowed by the State Department of Housing and Community Development (HCD). The amendment would permit transitional housing for six or fewer persons by right in residential zones as required by HCD. Transitional housing for seven or more persons would require a CUP in the R2, R7, R14, and R22 zones to ensure compatibility with surrounding uses. Potential conditions for approval to ensure compatibility with surrounding uses may include, but not be limited to, hours of operation, proximity to other residential care facilities, parking, fencing, security, loading requirements, and on-site management.

#### **Boarding Houses**

Boarding houses are residences or dwellings, other than hotels, wherein three or more rooms, with or without individual or group cooking facilities, are rented to individuals under one or more separate rental agreements, leases, or subleases, either written or oral, whether or not an owner, agent or rental manager is in residence. Boarding houses can result in the unwarranted intensification of residential neighborhoods and adverse impacts related to noise, traffic, and parking. The proposed amendment would address these issues by prohibiting boarding houses within the HL, R1, and R-1A zones and requiring a CUP within the R2, R7, R14, and R22 zones.

#### Congregate Care Facilities

The Zoning Ordinance revisions for congregate care facilities will provide additional opportunities for the development of senior active living facilities with appropriate amenities. Specifically, congregate care facilities are residential developments licensed by the State Department of Social Services that are comprehensively planned, designed, and managed, to include facilities and common space that maximize the residents' potential for independent living. The facility may be occupied by the elderly or handicapped persons or households as defined in Health and Safety Code Sections 50067 and 50072 or successor statute. On-site services relate to the medical, nutritional, social, recreational, housekeeping and personal needs of the residents at a level necessary to assist the residents to function independently. The Zoning Code revision would permit congregate care facilities

within the R7, R14, R22, Neighborhood Commercial (NC), and General Commercial (GC) Zones with approval of a CUP.

All new congregate care facilities would be required to provide adequate amenities, including but not limited to, swimming pools, fitness centers, spas, card rooms, billiards/game rooms, music rooms, reading rooms, internet lounges, etc. to the satisfaction of the Director of Development Services. Applicants would be required to submit a parking demand study and staff would determine the required parking on a case-by-case basis.

Convalescent facilities are conditionally permitted uses in the Office Professional (OP) and General Commercial (GC) Zones. These facilities are often stereotyped as rest homes or a place where the elderly are put when they can no longer care for themselves. Convalescent facilities tend to resemble commercial hospitals rather than housing. In contrast, congregate care facilities are envisioned to be more luxurious residential living communities where a continuum of lifestyle options are available to residents ranging from social amenities to on-site medical care.

New residents of congregate care facilities are typically 78 years old and the average age of all residents is estimated to be 82 years old. The U.S. Census Bureau estimates that there were approximately 16,000,000 people in this country over the age of 75 in 2006. According to Census projections, the number of residents in this age demographic will increase to nearly 46,000,000 by the year 2050. Last year, the first baby boomers turned 60 and therefore there is a need for congregate care facilities that provide a continuum of care and allow seniors to age in place.

#### **ENVIRONMENTAL**

The amendment to the Zoning Ordinance is exempt from the requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) because the changes reinforce existing planning standards and General Plan policies and objectives contained in the Housing Element and could not have a significant effect on the environment.

#### STAFF RECOMMENDATION

 Open the Public Hearing, Discuss and if appropriate, (a) Continue the Public Hearing to September 12, 2007; or (b) Close the Public Hearing and Conduct First Reading of the Ordinance.

# AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA TO AMEND VARIOUS SECTIONS OF THE SANTEE MUNICIPAL CODE TO REGULATE ZONING OF GROUP CARE FACILITIES, TRANSITIONAL HOUSING, BOARDING HOUSES, AND CONGREGATE CARE FACILITIES

WHEREAS, the City's Zoning Code permits "residential care facilities, accessory," defined as state-licensed care facilities with six or fewer residents, to be located in all residential zones throughout the City; and

WHEREAS, the City's Zoning Code permits "residential care facilities, non-accessory," defined as state-licensed care facilities with seven or more residents, to be located in some residential zones with a Conditional Use Permit; and

**WHEREAS**, the City Council finds that the provisions of the City's Zoning Code are in full compliance with the prohibition of state law against local regulation of state-licensed care facilities for six or fewer persons, which may not be treated differently from other single-family residences in the same zone; and

WHEREAS, the City's Zoning Code does not specifically provide a mechanism for the reasonable accommodation of unlicensed group homes, including Sober Living facilities and other similar group homes for persons who may be considered handicapped under the Federal Fair Housing Act Amendments (42 USC § 3601) ("FHAA"); and

WHEREAS, the City Council finds that an amendment to the City's Zoning Code would ensure conformity with the FHAA, including, without limitation, to provide procedures that allow the City to receive, evaluate, and approve applications to accommodate certain uses protected by Federal law, including group care facilities for handicapped persons; and

WHEREAS, the City Council further finds that this ordinance complies with and implements the FHAA by establishing a reasonable accommodation process, initiated by filing an application for a "Federal Exemption Permit" that is available to any person who desires to establish an unlicensed residential group care facility to serve the needs of persons entitled to accommodation under State and Federal law; and

**WHEREAS,** the City Council finds that permitting individual group residential facilities within 300 feet of one another is likely to create a "campus" effect resulting in an unwarranted intensification of uses in those neighborhoods and resulting in adverse impacts related to noise, traffic, and parking; and

WHEREAS, the City Council also seeks to facilitate the location of transitional housing within the City in accordance with the requirements of the State Department of Housing and Community Development ("HCD"); and

WHEREAS, the City Council finds that boarding houses, as defined herein, when located in low density residential zones, have adverse impacts including but not limited to detrimental effects on the residential character of such zones; and

WHEREAS, the Attorney General of the state of California has issued an opinion stating that a City may prohibit, limit, or regulate the operation of a boarding house business in a single family home located in a low density residential zone, where the term "boarding house" is defined as a residence or dwelling, other than a hotel, wherein three or more

rooms, with or without individual or group cooking facilities, are rented to individuals under separate rental agreements or leases, either written or oral, whether or not an owner, agent or rental manager is in residence, in order to preserve the residential character of the neighborhood; and

**WHEREAS,** the Santee Municipal Code does not currently define or limit the location of boarding houses; and

**WHEREAS**, the City Council finds that the City's Zoning Code should be amended to regulate boarding houses consistent with the Attorney General opinion; and

WHEREAS, the City Council seeks to establish congregate care facilities that offer independent living with comprehensive health care to expand lifestyle choices and allow seniors to age in place; and

**WHEREAS,** on August 8, 2007 the City Council held a duly advertised and noticed public hearing on ZA 07-01; and

**WHEREAS**, the City Council considered the Staff Report and all recommendations by staff and public testimony,

**NOW THEREFORE,** THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

<u>Section 1.</u> The following definition in Section 17.04.140 is hereby amended to read in its entirety as follows:

"Family" means one or more individuals living together as a Single Household Unit. The term "Family" shall include "Group care facilities, Limited" for six or fewer mentally disabled, mentally disordered or otherwise handicapped persons regardless of whether they are living together as a Single Household Unit, but shall not include any other living group that is not living together as a Single Household Unit.

<u>Section 2.</u> The definition of "Group care facility" in Section 17.04.140 is stricken, in its entirety, and replaced by the following definitions:

"Group care facility, Limited" means shared living quarters (without separate kitchen and bathroom facilities for each room or unit) for six (6) or fewer persons with physical or mental impairments that substantially limit one or more of such person's major life activities. This classification also includes, but is not limited to, group homes, sober living environments, recovery facilities, and establishments providing non-medical care for persons in need of personal services, supervision, protection or assistance essential for sustaining the activities of daily living, but shall not include state-licensed Residential Care facilities, as that term is defined in this Section 17.04.140, whether accessory or non-accessory, Emergency shelters, Transitional Housing, Lodging units or Boarding Houses.

"Group care facility, General" means shared living quarters (without separate kitchen or bathroom facilities for each room or unit) for seven (7) or more persons with physical or mental impairments that substantially limit one or more of such person's major life activities when such persons are not living together as a Single Household

Unit. This classification includes but is not limited to, group homes, sober living environments, recovery facilities, and establishments providing non-medical care for persons in need of personal services, supervision, protection or assistance essential for sustaining the activities of daily living facility, including resident services for persons handicapped or disabled, undergoing rehabilitation, or otherwise in need of care and supervision. This definition shall not include state-licensed Residential Care facilities, as that term is defined in this Section 17.04.140, whether accessory or non-accessory, Emergency shelters, Transitional Housing, Lodging units or Boarding Houses.

#### **Section 3.** The following definitions are hereby added to Section 17.04.140:

"Boarding House" means a residence or dwelling, other than a hotel, wherein three (3) or more rooms, with or without individual or group cooking facilities, are rented to individuals under one (1) or more separate rental agreements, leases, or subleases, either written or oral, whether or not an owner, agent or rental manager is in residence. For purposes of this definition, a Boarding House is a business or commercial endeavor which does not constitute a Single Household Unit as defined in Section 17.04.140. "Boarding House" shall not include a Congregate Care Facility or a Group Care Facility as defined in this Chapter.

"Congregate Care Facility" means a residential development serving 7 or more persons, whether related or unrelated, licensed by the State Department of Social Services which is comprehensively planned, designed and managed, to include facilities and common space that maximize the residents' potential for independent living. The facility may be occupied by the elderly or handicapped persons or households as defined in Health and Safety Code Sections 50067 and 50072 or successor statute. Services that are provided or made available shall relate to the medical, nutritional, social, recreational, housekeeping and personal needs of the residents and shall be provided or made available at a level necessary to assist the residents to function independently. "Direct services" means medical care, meals, housekeeping services, transportation services and planned recreational and social activities which shall be provided tot he residents directly by the management of the congregate housing. "Support services" are social services, daycare services and inhome services which the management of the congregate housing shall assist the residents in obtaining, at the residents' request.

"Single Household Unit" means the functional equivalent of a traditional family, whose members are an interactive group of persons jointly occupying a single dwelling unit including the joint use of common areas and sharing household activities and responsibilities such as meals, chores, and expenses. A Boarding House is not a Single Household Unit unless the Director determines that sufficient evidence has been provided that the Boarding House meets the definition of a Single Household Unit set forth herein. For purposes of the definition of "Group care facilities, Limited," a Single Household Unit's members shall also be a non-transient group.

**Section 4.** The definition of "Transitional housing" in Section 17.04.140 is stricken, in its entirety, and replaced by the following definitions:

"Transitional housing, Limited" means non-transient housing and appropriate supportive services, for 6 or fewer homeless individuals at any one time, designed to

enable them to acquire a stable income and move to independent living within an eighteen month period.

"Transitional housing, General" means non-transient housing and appropriate supportive services, for 7 or more homeless individuals at any one time, designed to enable them to acquire a stable income and move to independent living within an eighteen month period.

<u>Section 5.</u>Section 17.10.030 and Table 17.10.030-A are amended to read in its entirety as follows:

Uses listed in Table 17.10.030-A shall be allowable in one or more of the residential districts as indicated in the columns beneath each residential district heading. Where indicated with the letter "P", the use shall be a permitted use in that district. Where indicated with the letter "C", the use shall be a conditional use subject to a conditional use permit in that district. Where indicated with the letters "MC", the use shall be a conditional use subject to a minor conditional use permit in that district. Where indicated with a dash "-", or if a use is not specifically listed in Table 17.10.030-A and is not subject to the use determination procedure contained in Section 17.04.040, the use shall not be permitted in that district. Where indicated with the letters "FEP", the use shall be a conditional use subject to a Federal Exception Permit. This section shall not be construed to supersede more restrictive use regulations contained in the conditions, covenants, and restrictions of any property or dwelling units. However, in no case shall uses be permitted beyond those allowable in this section. In the event a given use cannot be categorized in one of the districts by the director, the use determination procedure outlined in Section 17.04.040 shall be followed.

TABLE 17.10.030-A
USE REGULATIONS FOR RESIDENTIAL DISTRICTS

			R-			R-	R-
USE	HL	R-1	1A	R-2	R-7	14	22
A. Residential Uses							
1. Single-family dwellings	Р	Р	Р	Р	Р		
2. Multi-family dwellings (townhomes and detached condominiums)					Р	Р	Р
3. Mobile Home Parks	С	С	С	С	С	С	С
4. Day Care Home, Family							
(a) Large family day care home (subject to the provisions contained in Section 17.30.020(I))							
(i) Within a single-family dwelling unit	Р	Р	Р	Р	Р		
(ii) Within a multi-family residential development					С	С	С
(b) Small family day care home	Р	Р	Р	Р	Р	Р	Р

5. Residential Care Facility							
Accessory6 or less	Р	Р	Р	Р	Р	Р	Р
Non-Accessory7 or more				С	С	С	С
6. Group Care Facility							
Limited 6 or less	Р	Р	Р	Р	Р	Р	Р
General 7 or more				FEP		_	FEP
			<b></b>	FEP	FEF	ГСР	ГСР
7. Transitional Housing Limited 6 or less	Р	Р	Р	Р	Р	P	Р
		P					
General 7 or more				C	С	С	C
8. Boarding House				С	С	С	C
9. Congregate Care Facilities					С	С	С
B. Public and Semi Public Uses							
Biological Habitat Preserve							
(a) Mitigation for projects within city boundaries	MC	MC	MC	MC	MC	MC	MC
(b) Mitigation for projects outside city boundaries	С	С	С	С	С	С	С
2. Cemetery	С	С	С	С	С	С	С
3. Church	С	С	С	С	С	С	С
4. Club, Lodge, Fraternity & Sorority	С	С	С	С	С	С	С
5. Convalescent Facility					С	С	С
6. Day Care Center	С	С	С	С	С	С	С
7. Educational facility (private), excluding business and trade schools and commercial schools	С	С	С	С	С	С	С
8. Dormitory (if accessory to college or school)	С	С	С	С	С	С	С
9. Hospital				С	С	С	С
10. Mining, only in conjunction with an approved development or grading project	С	С	С	С	С	С	С
11. Outdoor Recreation Facility	С	С	С	С	С	С	С
12. Public Buildings and Facilities	С	С	С	С	С	С	С
13. Public Park	С	С	С	С	С	С	С
14. Dog kennels, training schools, and breeding facilities	С	С	С	С			
C. Agricultural Uses (on lots of two and 1/2 acres or more)							
1. Animal Care Facility (subject to Section 17.10.030(E))	С	С	С				
2. Apiary (subject to Section	Р	Р	Р	Р	Р	Р	Р

17.10.030(F))							
3. Farms for orchards, trees, field crops, truck gardening, flowering gardening, and other similar enterprises carried on in the general field of agriculture. Includes accessory retail sale of products raised on property, excluding retail nursery.	P	Р	P	P	P	Р	P
4. Raising, grazing, breeding, boarding or training of large or small animals: except concentrated lot feeding and commercial poultry and rabbit raising enterprises, subject to provisions of Table 17.10.030(B).	Р	Р	Р	Р	Р	Р	Р
5. Wholesale distributor and processing of nursery plant stock and retail nursery where incidental and contiguous to nursery stock propagation and/or wholesale distributor. Outdoor storage and display prohibited except for nursery plant stock	С	С	С	С	С	С	С
6. Stable, Commercial	С	С					
7. Feed & Tack Store (accessory to commercial stable)	С	С					
D. Accessory Uses in conjunction with a permitted principal use on the same site							
Animal keeping, accessory to a permitted use							
(a) Dogs and cats over four months old (not exceeding four cats and/or dogs combined).	Р	Р	Р	Р	Р	Р	Р
(b) Exotic or wild animals	С	С	С	С	С	С	С
(c) Other pets (pursuant to Section 17.10.030(B))	Р	Р	Р	Р	Р	Р	Р
2. Antenna (pursuant to Section 17.34.070)	Р	Р	Р	Р	Р	Р	Р
3. Auxiliary Structure (see special requirements per Section 17.10.050)							
(a) Multi-family residential					Р	Р	Р
(b) Single-family residential							
(i) Maximum of 800 square feet gross floor area or 40 percent of living area of primary residence,	Р	Р	Р	Р	Р	С	С

whichever is less							
(ii) Greater than 800 square feet gross floor area or more than 40 percent of living area of primary residence	МС	МС	MC	MC	МС	МС	МС
4. Historic Structures, Uses in	С	С	С	С	С	С	С
5. Home Occupation	Р	Р	Р	Р	Р	Р	Р
6. Other accessory uses, as determined by the director	Р	Р	Р	Р	Р	Р	Р
7. Private Garage	Р	Р	Р	Р	Р	Р	Р
8. Private swimming pool, tennis court and similar recreation facilities	Р	Р	Р	Р	Р	Р	Р
9. Secondary Dwelling Unit (subject to Section 17.10.030(F)(5))	Р	Р	Р	Р	Р	Р	Р
10. Small Collection Facility					Р	Р	Р
11. Stable, Private (subject to Section 17.10.030(F))	Р	Р	Р				
E. Temporary Uses							
1. Temporary uses as prescribed in Section 17.04.070 and subject to those provisions	Р	Р	Р	Р	Р	Р	Р
2. Temporary trailers for use in conjunction with institutional and agricultural uses for a specified interim period	МС	МС	MC	MC	МС	MC	МС

<sup>&</sup>quot;P" = Permitted Use

**Section 6.** Section 17.06.100 is hereby added to read, in its entirety, as follows:

#### 17.06.100Federal Exception Permit

- A. Purpose and Intent. The purpose of this section is to provide for the reasonable accommodation of certain uses protected by Federal law, including group care facilities for handicapped persons. Any Federal Exception Permit shall be subject to such conditions as will assure that the use thereby authorized shall not be detrimental to the public health, safety, or welfare.
- B. Authority. The planning commission shall approve, conditionally approve, or disapprove applications for Federal Exception Permits, unless the planning commission specifically designates authority to the director to approve, conditionally, approve, or disapprove such applications, except that the City Council shall have final decision-making authority on applications for Federal

<sup>&</sup>quot;C" = Conditional Use Permit required

<sup>&</sup>quot;MC" = Minor Conditional Use Permit required

<sup>&</sup>quot;--" = Not Permitted

<sup>&</sup>quot;FEP" = Federal Exception Permit required

Exception Permits filed concurrently with amendments to the general plan, zoning code, or a planned community development plan or with a development agreement.

- C. Application. Any application for a Federal Exception Permit shall be filed with the department in a manner prescribed by the director.
- D. Notice and Public Hearing.
  - Public Hearings. The planning commission or the City Council, as applicable, shall hold a public hearing on an application for a Federal Exception Permit. Public hearings are not required for applications where the authority to grant a Federal Exception Permit has been delegated to the director.
  - 2. Timing and Notice. Any public hearing on an application for a Federal Exception Permit shall be set and notice given as prescribed in Section 17.04.100, Public hearings.
- E. Findings.The director, the planning commission, or the City Council, as applicable, shall approve or conditionally approve an application for a Federal Exception Permit if, on the basis of the application, plans, materials, and testimony submitted, the director, the planning commission, or the City Council, as applicable, finds:
  - 1. The Federal Exception Permit sought is handicapped-related; and
  - 2. The Federal Exception Permit sought, if approved, would not require a fundamental alteration in the nature of a municipal program nor impose an undue financial or administrative burden on the City; and
  - 3. The granting of the Federal Exception Permit sought will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity. To the extent authorized by law, the factors the director, the planning commission, or the City Council on review or appeal, as applicable, may consider in making this finding include, but are not limited to:
    - a. whether the nature and/or extent of vehicular traffic, such as the frequency or duration of trips made by commercial vehicles, would be altered to such an extent that it would be contrary to, or violate, any relevant provision of the Santee Municipal Code if the Federal Exception Permit was approved;
    - b. whether development or use standards established in the Santee Municipal Code and that are applicable to other residential uses in the neighborhood would be violated; or
    - c. whether the Group Care Facility subject to the Federal Exception Permit would be located on the same legal parcel as, or otherwise located within 300 feet of any other Group Care Facility, whether or not of the same type, size, or function.

- F. Conditions of Approval. The director, the planning commission, or the City Council, as applicable, may impose such conditions in connection with the granting of a Federal Exception Permit as they deem necessary to secure the purposes of this Code and may require such guarantees and evidence that such conditions are being or will be complied with. Such conditions may include but are not limited to requirements for off-street parking facilities. The following conditions shall be imposed upon the approval of any Federal Exemption Permit application:
  - 1. The permittee shall limit overnight occupancy of the Group Care Facility to no more than the number of occupants permitted by the provisions of Title 15 of the Santee Municipal Code;
  - 2. The permittee shall use best efforts to ensure that the occupants do not create unreasonable noise or disturbances, engage in disorderly conduct, or violate provisions of this Code or any law pertaining to noise, disorderly conduct, the consumption or alcohol or the use of illegal drugs;
  - 3. The permittee shall, upon notification that occupants and/ or guests have created unreasonable noise or disturbances, engaged in disorderly conduct or committed violations of this Code or any law pertaining to noise, disorderly conduct, the consumption of alcohol or the use or illegal drugs, promptly use best efforts to prevent a recurrence of such conduct;
  - 4. The permittee shall use best efforts to ensure compliance with all the provisions of Title 8 of the Santee Municipal Code relating to health and safety;
  - 5. The permittee shall post, in a conspicuous place within the Group Care Facility, a copy of this permit and/ or the operational rules specified in this Section.
- G. Effective Date. Any approved or conditionally approved Federal Exception Permit shall not become effective for fourteen (14) days after being granted, and in the event an appeal is filed or if the planning commission or the City Council, as applicable, exercises its right to review any such decision under the provisions of this Code, the permit shall not become effective unless and until a decision granting the Federal Exception Permit is made by the planning commission or the City Council, as applicable.

#### H. Expiration and Time Extensions.

- 1. Expiration. Any Federal Use Permit granted in accordance with the terms of this Code shall expire within twenty-four (24) months from the effective date of the Federal Use Permit, or at an alternative time specified as a condition of approval unless a time extension has been granted.
- 2. Time Extensions. The director may grant one or more consecutive time extensions for a Federal Exception Permit for a period or periods not to exceed three years. An application for a time extension shall be made in writing to the director, in such form as the director may prescribe, no less

than thirty (30) days or more than ninety (90) days prior to the expiration date.

- I. Revisions or Modifications. Revisions or modifications to a Federal Exemption Permit can be requested by the applicant. Further, the planning commission or the director as authorized by the commission, may periodically review, modify or revoke a Federal Exemption Permit.
  - 1. Revisions or Modifications by Applicant. A revision or modification to an approved Federal Exception Permit such as, but not limited to, change in conditions, expansions, intensification, location, hours of operation, or change of ownership, may be requested by an applicant. Such request shall be processed as described in subsections C through F of this section. The applicant shall supply necessary information as determined by the city, to indicate reasons for the requested change.
  - 2. Review by Planning Commission or Director. The planning commission or the director as authorized by the commission, may periodically review any Federal Exception Permit to ensure that it is being operated in a manner consistent with conditions of approval or in a manner which is not detrimental to the public health, safety, or welfare, or materially injurious to properties in the vicinity. If, after review, the commission or the director deems that there is sufficient evidence to warrant a full examination, then a public hearing date shall be set.
  - 3. Modification or Revocation by the Planning Commission or the Director. After setting a date for public hearing as described in subsection (I)(2) of this section, the director shall notify the applicant and owners of the Federal Exception Permit in question. Such notice shall be sent by certified mail and shall state that the commission or the director, as applicable, shall be reviewing the permit for possible modification or revocation. It shall also state the date, time and place of the hearing. The public hearing shall be conducted and notice given in accordance with Section 17.04.100.

Upon conclusion of the public hearing, the commission or the director, as appropriate, shall render a decision to do one of the following measures:

- a. Find that the Federal Exception Permit is being conducted in an appropriate manner and that no action to modify or revoke is necessary; or
- Find that the Federal Exception Permit is not being conducted in an appropriate manner and that modifications to conditions are necessary;
- c. Find that the Federal Exception Permit is not being conducted in an appropriate manner and that modifications are not available to mitigate the impacts and therefore revoke the permit which requires the operation to cease and desist in the time allotted by the commission or the director.

(a) If the planning commission or the director either modifies or revokes a Federal Exception Permit then the reasons for such action shall be stated within the resolution.

#### J. Amendments and New Applications

- 1. Amendments. A request for changes in conditions of approval of a Federal Exception Permit, or a change to plans that would affect a condition of approval shall be treated as a new application. The director may waive the requirement for a new application if the changes are minor, do not involve substantial alterations or additions to the plan or the conditions of approval, and are consistent with the intent of the original approval.
- 2. New Applications.If an application for a Federal Exception Permit is disapproved, no new application for the same, or substantially the same, Federal Exception Permit shall be filed within one year of the date of denial of the initial application unless the denial is made without prejudice.

**Section 7.** The following use is added to Section 17.10.030, Subsection F as follows:

7. Congregate Care Facility Amenities. All new congregate care facilities shall provide adequate amenities, that may include and not be limited to, swimming pools, fitness centers, spas, card rooms, billiards/game rooms, music rooms, reading rooms, internet lounges, etc. to the satisfaction of the Director of Development Services.

**Section 8.** The following use is added to Section 17.12.030, Subsection F as follows:

 Congregate Care Facility Amenities. All new congregate care facilities shall provide adequate amenities, that may include and not be limited to, swimming pools, fitness centers, spas, card rooms, billiards/game rooms, music rooms, reading rooms, internet lounges, etc. to the satisfaction of the Director of Development Services.

Section 9. The following use is added to Section 17.24.040, Subsection A as follows:

3. Congregate Care Facilities. As determined by a parking demand study approved by the Director of Development Services.

<u>Section 10.</u>The following use is added to Section 17.24.040, Subsection B, Subsection 4, as follows:

d. Congregate Care Facilities. As determined by a parking demand study approved by the Director of Development Services.

<u>Section 11.</u>Severability. If any provision or clause of this Ordinance or the application thereof is held unconstitutional or otherwise invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions, clauses, or applications of this Ordinance which can be implemented without the invalid provision, clause, or application, it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, adopted and/ or ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, and/or phrases may be declared invalid or unconstitutional.

<u>Section 12.</u>Upon adoption of the Ordinance, the bold version of the added text to each section shall be unbolded.

Section 13. This Ordinance shall become effective thirty (30) days after its passage.

<u>Section 14.</u> The City Clerk is hereby directed to certify the adoption of this ordinance and cause the same to be published as required by law.

and cause the same to be published as required by law.
INTRODUCED AND FIRST READ at a Regular Meeting of the City Council of the City of Santee, California, on the day of, 2007, and thereafter ADOPTED at a Regular Meeting of said City Council held on the day of, 2007, by the following vote to wit:
AYES:
NOES:
ABSENT:
APPROVED:
RANDY VOEPEL, MAYOR
ATTEST:
LINDA A. TROYAN. MMC. CITY CLERK

#### MEETING DATE August 8, 2007

#### **AGENDA ITEM NO.**

<u>ITEM TITLE</u> PUBLIC HEARING TO AMEND CHAPTER 17.26 OF THE SANTEE MUNICIPAL CODE REGARDING DENSITY BONUSES FOR AFFORDABLE AND SENIOR HOUSING

**DIRECTOR/DEPARTMENT** Gary Halbert, Development Services

#### **SUMMARY**

The General Plan was comprehensively updated in 2003, with attendant changes to the Zoning Code. To ensure the Zoning Code remains current and effective in achieving the City's General Plan vision, the City Council authorized staff to proceed with a phased work program at the June 13, 2007 City Council meeting. The attached ordinance is part of the first phase of the work program and proposes revisions to Chapter 17.26 of the Municipal Code to update the Density Bonus Ordinance pursuant to recent changes in State law. The State's density bonus law (Government Code Section 65915 to 65917) was significantly modified in 2004 by Senate Bill 1818 (effective January 1, 2005) and again modified in 2005 by Senate Bill 435 (effective January 1, 2006). The changes to State law mandate large incentives to developers who include small amounts of affordable housing in their projects.

The Zone Code revision would grant density bonuses of 20% to 35% to developers of affordable housing and one to three incentives or concessions depending on the amount and type of housing provided in accordance with State law. Applicants requesting an incentive, concession, waiver or modification of City development standards would be required to provide evidence that the incentive, concession, waiver or modification is necessary to make the project economically feasible. The City could deny an incentive, concession, waiver, or modification if it is able to make a statutory finding for disapproval. Developers of density bonus projects would be required to enter into a density bonus housing agreement with the City and buyers of affordable housing units within density bonus projects would be required to enter into a resale agreement with the City.

#### **ENVIRONMENTAL REVIEW**

The amendment to the Zoning Ordinance is exempt from the requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) because the changes reinforce existing planning standards and General Plan policies and objectives contained in the Housing Element.

#### FINANCIAL STATEMENT

Not applicable

#### RECOMMENDATION

1. Open the Public Hearing, Discuss and if appropriate, (a) Continue the Public Hearing to September 12, 2007; or (b) Close the Public Hearing and Conduct First Reading of the Ordinance.

#### **ATTACHMENTS**

Staff Report Ordinance

#### **STAFF REPORT**

# AMENDMENT TO CHAPTER 17.26 OF THE SANTEE MUNICIPAL CODE REGARDING DENSITY BONUSES FOR AFFORDABLE AND SENIOR HOUSING CITY COUNCIL MEETING AUGUST 8, 2007

Notice of Public Hearing was published in the San Diego Union Tribune on Saturday, July 21, 2007.

#### A. BACKGROUND

The General Plan was comprehensively updated in 2003, with attendant changes to the Zoning Code. To ensure the Zoning Code remains current and effective in achieving the City's General Plan vision, the City Council authorized staff to proceed with a phased work program at the June 13, 2007 City Council meeting. The first phase includes an update of the Zoning Ordinance Density Bonus Provisions (Chapter 17.26) for affordable and senior housing pursuant to recent changes in State law.

The State's density bonus law (Government Code Section 65915 to 65917) was significantly modified in 2004 by Senate Bill 1818 (effective January 1, 2005) and again modified in 2005 by Senate Bill 435 (effective January 1, 2006). The changes to State law mandate large incentives to developers who include small amounts of affordable housing in their projects.

#### **ANALYSIS**

#### **Current Density Bonus Ordinance**

The City's current density bonus ordinance provides a 25% increase in density to residential developers of five or more dwelling units who agree to include 10% to 50% of units in their projects affordable to lower income households, moderate income households, and senior citizens. In addition to the density bonus, the current ordinance entitles eligible developers to receive at least one concession or in-lieu incentive of equivalent financial value. "Concessions" are waivers, reductions or modifications to otherwise applicable development standards such as parking standards, setbacks, lot coverage, etc.

The current ordinance also provides a 25% density bonus or in-lieu incentive(s) of equivalent financial value to applicants proposing to convert apartments to condominiums and who agree to provide either 33% of the total units affordable to moderate income households or 15% of the total units affordable to very low income households.

#### **Proposed Density Bonus Ordinance**

#### Summary

The Zone Code revision would grant density bonuses of 20% to 35% to developers of affordable housing and other concessions and incentives that vary depending on the amount and type of affordable housing provided, consistent with recent changes in State law. Applicants requesting an incentive, concession, waiver or modification of

City development standards would be required to provide evidence that the incentive, concession, waiver or modification is necessary to make the project economically feasible. The City could deny an incentive, concession, waiver, or modification only if it is able to make statutory findings for disapproval. Developers of density bonus projects would be required to enter into a density bonus housing agreement with the City and buyers of affordable housing units within density bonus projects would be required to enter into a resale agreement with the City.

#### Findings for Disapproval

The City may deny incentives, concessions, waivers or modifications if it is able to make either of the following statutory findings for disapproval:

- The concession, incentive, waiver or modification is not required in order to provide for affordable housing costs; or
- The concession, incentive, waiver or modification would have a specific adverse impact upon public health and safety, the physical environment, or on any real property that is listed in the California Register of Historical Resources for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

#### Eligibility and Amount of Density Bonus

Housing developments of five or more units would be eligible for a density bonus according to a State established sliding scale based on the proportion of affordable units provided by target income group. The density bonus would be calculated on the maximum density allowed within a particular zone district. The amount of density bonus that could be granted to developers of housing affordable to targeted income groups is summarized as follows:

- Very Low Income Households (earn 50% of County Median Income<sup>1</sup> or less)
  - Provide 5% affordable units and receive a 20% density bonus pursuant to Government Code Section 65915(g)(2).
  - Provide 11% affordable units and receive a 35% density bonus pursuant to Government Code Section 65915(g)(2).
  - Donate land with a restriction that 10% of future units be affordable and receive a 15% density bonus pursuant to Government Code Section 65915(h).
  - Donate land with a restriction that 30% of future units be affordable and receive a 35% density bonus pursuant to Government Code Section 65915(h).
- Low Income Households (earn 50% of County Median Income<sup>1</sup> or less)
  - Provide 10% affordable units and receive a 20% density bonus pursuant to Government Code Section 65915(g)(1).

<sup>&</sup>lt;sup>1</sup> The County Median Income varies by household size. According to the California Department of Housing and Community Development, the County Median Income for San Diego County in January 2007 for a four person household was \$69,400.

- Provide 20% affordable units and receive a 35% density bonus pursuant to Government Code Section 65915(g)(1).
- Moderate Income Households (earn 120% of County Median Income<sup>1</sup> or less)
  - Provide 10% affordable units offered for-sale to the public and receive a 5% density bonus pursuant to Government Code Section 65915(g)(4).
  - Provide 40% affordable units offered for-sale to the public and receive a 35% density bonus pursuant to Government Code Section 65915(g)(4).

Developers of senior housing projects with 35 units or more would also be eligible to receive a 20% density bonus regardless of unit affordability pursuant to Government Code Section 65915(g)(3).

Density bonus eligible projects that include a child care facility on the premises would be granted either a bonus of residential square footage that is equal to or greater than the amount of square feet in the child care facility or another incentive or concession of equivalent financial value pursuant to Government Code Section 65915(i).

A density bonus may be selected from only one category (i.e., very low, low, moderate income or seniors), except that bonuses for land donation may be combined with others, up to a maximum of 35%.

The proposed amendment also includes minor revisions to the City's existing density bonus regulations for condominium conversions that clarify existing State law.

#### Incentives and Concessions

The revised ordinance would also establish a process for developers of affordable or senior housing to request concessions or exceptions from normally applicable zoning and other development standards as required by State law. Developers would be eligible to receive one to three incentives or concessions depending on the amount and type of housing provided. "Incentives and concessions" would be defined as:

- Reductions in site development standards and modifications of zoning and architectural design requirements, including reduced setbacks and parking standards;
- Mixed use zoning that would reduce the cost of the housing if the nonresidential uses are compatible with the housing development and other development in the area; and
- Other regulatory incentives or concessions that an applicant could demonstrate will result in identifiable, financially sufficient, and actual cost reductions.

#### Reduced Parking Ratios

Reduced parking is a concession mandated by State law if requested by developers of eligible projects. The following table compares the City's current parking standards

to parking standards that could be allowed in conjunction with a density bonus project:

	Required Parking Spaces Per Unit				
		State Density			
Unit Type	City of Santee	Bonus Law			
Studio or 1 bedroom	1 ½ spaces	1 space			
2 bedrooms	2 spaces	2 spaces			
3 bedrooms	2 spaces	2 spaces			
4 or more bedrooms	2 spaces	2 ½ spaces			
Guest Parking	1 space per 4 units	Not required			

#### Waivers and Modifications

In addition to requesting one to three "incentives and concessions," eligible applicants may request the waiver or modification of an unlimited number of "development standards" by showing that the waiver or modification is needed to make the project economically feasible. The statute defines "development standards" as site or construction conditions that apply to a residential development pursuant to any ordinance, general plan element, specific plan, charter amendment, or other local condition, law, policy, resolution, regulation.

Waivers and modifications are not limited to projects containing affordable housing and may be requested by any applicant requesting a density bonus, including bonuses for senior housing, condominium conversions, and child care centers.

#### Process for Obtaining a Density Bonus

All projects that propose to utilize a density bonus, incentive or concession would comply with provisions of the Density Bonus Ordinance prior to submittal of a formal application for a development review permit or other discretionary permit. The Zoning Ordinance revision would require applicants to submit a preliminary proposal that provides the amount of density bonus and specific incentives or concessions being requested. Applicants requesting an incentive, concession, waiver or modification of development standards would be required to provide evidence that the concession, incentive, waiver or modification is necessary to make the project economically feasible.

#### General Plan Consistency

The proposed revisions to the density bonus provisions of the Zoning Code are consistent with the General Plan. Specifically, the proposed ordinance is consistent with Housing Element Policy 1.2 to encourage the public and private sectors to produce or assist in the production of affordable and senior housing. The proposed ordinance is also consistent with Housing Element Policy 1.5 to respond to Statemandated density bonus requirements and Housing Element Policy 1.7 to encourage the development of senior housing.

#### **ENVIRONMENTAL**

The amendment to the Zoning Code is exempt from the requirements of the California Environmental Quality Act pursuant to Section 15061(b)(3) because the changes reinforce existing planning standards and General Plan policies and objectives contained in the Housing Element.

#### **STAFF RECOMMENDATION**

1. Open the Public Hearing, Discuss and if appropriate, (a) Continue the Public Hearing to September 12, 2007; or (b) Close the Public Hearing and Conduct First Reading of the Ordinance.

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, AMENDING CHAPTER 17.26 REGARDING DENSITY BONUSES FOR AFFORDABLE AND SENIOR HOUSING

**WHEREAS,** the City Council finds that the public good is served when there exists in a city, housing which is appropriate for the needs of, and affordable to, all members of the public who reside within that city; and

**WHEREAS**, the City Council also finds that incentives for developers are necessary to encourage the production of housing that is affordable to lower income households, moderate income households, and seniors; and

**WHEREAS**, Chapter 17.26 of the Santee Municipal Code currently provides a density bonus and other incentives to facilitate and encourage the production of affordable and senior housing; and

WHEREAS, effective January 1, 2005, Senate Bill 1818 amended Sections 65915 through 65917 of the California Government Code pertaining to local density bonus ordinances; and

**WHEREAS,** effective January 1, 2005, SB 435 also amended Sections 65915 through 65917 of the California Government Code pertaining to local density bonus ordinances; and

WHEREAS, the City Council finds that the City's Density Bonus provisions of the Zoning Code should be amended to ensure continued conformity with Sections 65915 through 65917 of the California Government Code; and

WHEREAS, the City Council finds that this ordinance complies with and implements Sections 65915 through 65917 of the California Government Code by increasing the changing the maximum density bonus allowed from 25 percent to 35 percent, granting additional concessions, and providing an added bonus for land donation; and

**WHEREAS**, the project is Categorically Exempt from the provisions of the California Environmental Quality Act, pursuant to Article 19, Section 15061(b)(3) because the changes reinforce existing planning standards and General Plan policies and objectives contained in the Housing Element; and

WHEREAS, as required by state law, the San Diego County Regional Airport Authority has received notification of the Municipal Code Amendment together with an application for a Determination of Consistency with the Gillespie Field Comprehensive Land Use Plan, and has not objected to the City moving forward with the Amendment at this time,

### THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

**Section 1.** Chapter 17.26 is hereby repealed and replaced in its entirety as follows:

#### Chapter 17.26 DENSITY BONUS PROVISIONS

#### SECTION 17.26.010 Purposes and General Plan Consistency

The public good is served when there exists in a city, housing which is appropriate for the needs of, and affordable to, all members of the public who reside within that city. The

purpose of this Chapter is to implement the housing element of the general plan; implement Sections 65915 through 65917 of the California Government Code; and provide incentives to developers for the production of housing affordable to lower income households, moderate income households and senior citizens.

#### SECTION 17.26.020 Definitions

Wherever the following terms are used in this Chapter, they shall have the meaning established by this Section.

- "Affordable housing cost" means the allowable housing expenses paid by a qualifying household that does not exceed a specified fraction of the gross monthly income, adjusted for household size and as established in Section 50052.5 of the California Health and Safety Code.
- 2. "Affordable rent" means the allowable rental housing expenses paid by a qualifying household that does not exceed a specified fraction of gross monthly income adjusted for household size and as established in Section 50053 of the California Health and Safety Code.
- 3. "Allowable housing expense" means the total monthly or annual recurring expenses required of a household to obtain shelter. For a for-sale unit, allowable housing expenses include loan principal, loan interest, property and mortgage insurance, property taxes, homeowners' association dues and a reasonable allowance for utilities. For a rental unit, allowable housing expenses include rent, and a reasonable allowance for utilities.
- 4. "Child care facility" means a child day care facility other than a family day care home, including, but not limited to, infant centers, preschools, extended day care facilities, and schoolage child care centers.
- "Concession" means any of the following:
  - a. A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements, and in the ratio of vehicular parking spaces that would otherwise be required that result in identifiable, financially sufficient and actual cost reductions.
  - b. Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial or other land uses will reduce the cost of the housing development, and if the commercial, office, industrial or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.
  - c. Other regulatory incentives or concessions proposed by the developer or the City, which result in identifiable, financially sufficient, and actual cost reductions. These incentives may include, but are not limited to, the following:
    - i. Parking. A reduction in the required on-site parking as specified in Section 17.26.120.
    - ii. Open space. In multi-family zones (R-7, R-14, and R-22), density bonus projects may reduce required usable open space by up to fifty percent on a

- case-by-case basis, if the project is located within one thousand feet of an existing public park.
- iii. Setbacks. A reduction in the streetscape setback requirements set forth in Chapter 17.10 of Title 17 may be granted, provided the site planning features of the development do not detract from the function and scenic quality of the street with regard to bulk, compatibility and public health and safety.
- iv. Development fees. A reduction in the amount of park-in-lieu and/or traffic impact fees may be granted.
- v. Timing of development fees. The developer of a density bonus project may propose a fee schedule, which defers payment of any, or all City related development fees until after issuance of building permits but prior to approval for occupancy.
- vi. Off-site improvements. On a case-by-case basis, City participation of certain off-site improvements required by the development of the project may be proposed pursuant to negotiations and agreement with the City.
- vii. Direct financial aid including, but not limited to redevelopment set-aside funding, community development block grant funding, or subsidizing infrastructure, land cost or construction costs or other incentives of equivalent financial value based upon the land costs per dwelling unit. When there is direct financial contribution to a housing development through participation in cost of infrastructure, write-down of land costs, or subsidizing the cost of construction, the City shall assure continued availability for low and moderate-income units for thirty years. The density bonus housing agreement as set forth in Section 17.26.140 shall reflect a minimum thirty-year tenure and resale of for-sale target dwelling units is subject to Section 17.26.130.

Note: This Subsection does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land by the City, or the waiver of fees or dedication requirements.

- 6. "Condominium project" means a project as defined by California Civil Code Section 1351, subdivision (f) as the same may be amended from time to time, or any state law replacing Section 1351, subdivision (f).
- 7. "Density bonus" means a density increase over the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan as of the date of application by the applicant to the City. The amount of density bonus to which the applicant is entitled shall vary in accordance with applicable provisions of this Chapter.
- 8. "Density bonus housing agreement" means a legally binding agreement between a developer and the City to ensure that the density bonus requirements of this Chapter are satisfied.
- 9. "Development standard" means any site or construction conditions that apply to a residential development pursuant to any City ordinance, general plan element, specific plan, or other local condition, law, policy, resolution or regulation.
- 10. "Housing development" as used in this Chapter, means one or more groups of projects for residential units constructed in the planned development of the City and includes a subdivision or planned unit development or condominium project approved by the City and includes either: (a) a project to substantially rehabilitate and convert

an existing commercial building to residential use, or (b) the substantial rehabilitation of an existing multiple-family dwelling, as defined in Government Code Section 65863.4(d), where the result of the rehabilitation would be a net increase in available residential units.

- 11. "Incentive" see "Concession."
- 12. "Low-income household" means a household earning a gross income that equals more than fifty percent but does not exceed eighty percent of the median income for San Diego County as determined annually by the U.S. Department of Housing and Urban Development.
- 13. "Lower-income household" means low-income and very low-income household, whose gross income does not exceed eighty percent of the area median income.
- 14. "Market-rate unit" means a dwelling unit where the rental rate or sales price is not restricted either by this Chapter or by requirements imposed through other local, state or federal affordable housing programs.
- 15. "Maximum allowable residential density" means the density allowed under the zoning ordinance, or if a range of density is permitted, means the maximum allowable density for the specific zoning range applicable to the project.
- 16. "Moderate-income household" means those households whose gross income is more than eighty percent but does not exceed one hundred twenty percent of the median income for San Diego County as determined annually by the U.S. Department of Housing and Urban Development.
- 17. "Planned development" means a project as defined by California Civil Code Section 1351, subdivision (k) as the same may be amended from time to time, or any state law replacing Section 1351, subdivision (k).
- 18. "Qualifying resident" means a resident as defined in Section 51.3 of the California Civil Code as the same may be amended from time to time, or any state law replacing Section 51.3.
- 19. "Senior citizen housing development" means a project as defined by Section 51.3 of the California Civil Code as the same may be amended from time to time, or any state law replacing Section 51.3.
- 20. "Specific adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.
- 21. "Target dwelling unit" means a dwelling unit that will be offered for rent or sale exclusively to and which shall be affordable to the designated income group or qualified resident, as required by this Chapter.
- 22. "Target income level" means the income standards for very low, low and moderate-income levels within San Diego County as determined annually by the U.S. Department of Housing and Urban Development, and adjusted for family size.
- 23. "Very low-income household" means a household earning a gross income equal to fifty percent or less of the median income for San Diego County as determined annually by the U.S. Department of Housing and Urban Development.

#### SECTION 17.26.030 Administration

- A. Applicability. The provisions established by this Chapter apply to all applications for density bonuses and concessions and incentives made pursuant to Section 65915 of the California Government Code.
- B. Application. All projects that propose to utilize the density bonus, incentives and concessions provisions of this Chapter shall comply with Section 17.26.180 prior to submittal of a formal application for a development review permit or other discretionary permit as required by this Title. The development review process shall be utilized to waive any development standards that would otherwise serve to prohibit the implementation of this Chapter. The granting of a density bonus, incentive or concession consistent with this Chapter shall not be interpreted, in and of itself, to require a general plan amendment, zoning change, or other discretionary approval.

### SECTION 17.26.040 Qualifications for Density Bonus and Incentives and Concessions.

- A. The City shall grant one density bonus as specified in Section 17.26.050, and incentives or concessions as described in Section 17.26.090, when an applicant seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this Chapter, that will contain at least any one of the following:
  - 1. Ten percent (10%) of the total units of the housing development as affordable housing units affordable to lower-income households;
  - 2. Five percent (5%) of the total units of the housing development as affordable housing units affordable to very low-income households;
  - 3. A senior citizen housing development of at least 35 units or mobilehome park that limits residency based on age requirements for housing for older persons pursuant to Section 798.76 of the California Civil Code;
  - 4. Ten percent (10%) of the total units of a condominium project or planned development as affordable housing units affordable to moderate-income households, provided that all units in the development are offered to the public for purchase subject to the restrictions specified in this Chapter.
- B. As used in Subsection (A) of this Section, the term "total units" does not include units permitted by a density bonus awarded pursuant to this Section or any other local law granting a greater density bonus.
- C. Each applicant who requests a density bonus pursuant to this Chapter, shall elect whether the bonus shall be awarded on the basis of Subsection (A)(1), (2), (3) or (4) of this Section. Each housing development is entitled to only one density bonus, which may be selected based on the percentage of either very low-income affordable housing units, lower-income affordable housing units or moderate-income affordable housing units, or the development's status as a senior citizen housing development. Density bonuses from more than one category may not be combined.

#### **SECTION 17.26.050 Specified Density Bonus Percentages**

A. Only housing developments consisting of five (5) or more dwelling units are eligible for the density bonus percentages provided by this Section. The amount of density bonus to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in

Section 17.26.040(A). Units permitted by a density bonus shall not be included in the "total units" when determining eligibility for a density bonus pursuant Section 17.26.040(A).

B. For housing developments meeting the criteria of Section 17.26.040(A)(1), the density bonus shall be calculated as follows:

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
17	30.5
18	32
19	33.5
20	35

C. For housing developments meeting the criteria of Section 17.26.040(A)(2), the density bonus shall be calculated as follows:

Percentage Very Low-Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

- D. For housing developments meeting the criteria of Section 17.26.040(A)(3), the density bonus shall be twenty percent (20%). The bonus cannot be combined with bonuses granted for affordable housing pursuant Sections 17.26.040(A)(1) and 17.26.040(A)(2).
- E. For housing developments meeting the criteria of Section 17.26.040(A)(4), the density bonus shall be calculated as follows:

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32

38	33
39	34
40	35

- F. An applicant may elect to accept a lesser percentage of density bonus than that to which the applicant is entitled under this Chapter. All density bonus calculations resulting in a fractional number shall be rounded upwards to the next whole number.
- G. For the purpose of calculating a density bonus, the residential units do not have to be based upon individual subdivision maps or parcels. The density bonus shall be permitted in geographic areas of the housing development other than the areas where the units for the lower-income households are located.
- H. The application and review process for a density bonus as provided by this Section is set forth in Section 17.26.180.

#### **SECTION 17.26.060 Land Donation**

A. When a developer of a housing development donates land to the City as provided for in this Section, the applicant shall be entitled to a fifteen percent (15%) increase above the otherwise maximum allowable residential density under the applicable zoning ordinance and land use element of the general plan for the entire housing development, as follows:

Percentage Very Low-Income Units	Percentage Density Bonus
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29

25	30
26	31
27	32
28	33
29	34
30	35

This increase shall be in addition to any increase in density granted pursuant to Section 17.26.040, up to a maximum combined mandated density increase of thirty-five percent (35%), if an applicant seeks both the increase required pursuant to this Section and Section 17.26.040. All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this subdivision shall be construed to enlarge or diminish the City's authority to require an applicant to donate land as a condition of development.

- B. An applicant shall be eligible for the increased density bonus described in this Section if all of the following conditions are met:
  - 1. The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or residential development application.
  - 2. The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.
  - 3. The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate general plan designation, is appropriately zoned for development as affordable housing, and is or will be served by adequate public facilities and infrastructure. The land shall have appropriate zoning and development standards to make the development of the affordable units feasible. No later than the date of approval of the housing development, the transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, except that the local government may subject the proposed development to subject design review if the design is not reviewed by the local government prior to the time of transfer.
  - 4. The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with Section 17.26.130, which shall be recorded on the property at the time of dedication.
  - 5. The land is transferred to the City or to a housing developer approved by the City. The City may require the applicant to identify and transfer the land to the developer.
  - The transferred land shall be within the boundary of the proposed development or, if the City agrees, within one-quarter mile of the boundary of the proposed development.

C. The application and review process for a donation of land and related density bonus is set forth in Section 17.26.180.

#### **SECTION 17.26.070 Child Care Facilities**

- A. When an applicant proposes to construct a housing development that conforms to the requirements of Section 17.26.040(A) and includes a child care facility that will be located on the premises of, as part of, or adjacent to such housing development, the City shall grant either of the following if requested by the developer.
  - 1. An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility.
  - 2. An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.
- B. A housing development shall be eligible for the density bonus or concession described in this Section if the City, as a condition of approving the housing development, requires all of the following to occur:
  - 1. The child care facility will remain in operation for a period of time that is as long as or longer than the period of time during which the targeted housing units are required to remain affordable pursuant to Section 17.26.130;
  - Of the children who attend the child care facility, the percentage of children of very low-income households, lower-income households, or moderateincome households shall be equal to or greater than the percentage of dwelling units that are required for very low-income households, lowerincome households, or moderate-income households set forth in Section 17.26.040(A);
  - Notwithstanding any requirement of this Section, the City shall not be required to provide a density bonus or concession for a child care facility if it finds, based upon substantial evidence, that the community already has adequate child care facilities.
- C. The application and review process for the provision of child care facilities and related density bonus or concessions or incentives is set forth in Section 17.26.180.

#### SECTION 17.26.080 Residential condominium conversions.

- A. The city shall grant either a density bonus of twenty five percent (25%) or in-lieu incentive(s) of equivalent financial value to an applicant or developer proposing to convert apartments to condominiums pursuant Title 16, and who agrees to provide either of the following:
  - 1. A minimum of thirty-three percent (33%) of the total units of the housing development as restricted and affordable moderate-income households.
  - 2. A minimum of fifteen percent (15%) of the total units of the housing development as restricted and affordable to lower income households.
- B. An applicant/developer proposing to convert apartments to condominiums shall be ineligible for a density bonus or in-lieu incentive(s) under this section if the apartments proposed for conversion constitute a housing development for which a density bonus or in-lieu incentive(s) were previously provided under this Chapter.

- C. In determining the number of density bonus dwelling units to be granted pursuant to the standards of this section, the number of existing apartment units within the structure or structures proposed for conversion shall be multiplied by 0.25. Any resulting decimal fraction shall be rounded up to the next whole number.
- D. In determining the number of target dwelling units to be reserved pursuant to the standards of this section, the number of existing apartment units within the structure or structures proposed for conversion shall be multiplied by either 0.33 or 0.15, for moderate-income households or lower-income households, respectively. Any resulting decimal fraction shall be rounded up to the next whole number.
- E. The density bonus shall not be included when determining the number of housing units, which is equal to thirty-three percent (33%) or fifteen percent (15%) of the total units of the housing development.
- F. In cases where a density increase of less than twenty-five percent (25%) is requested, no reduction will be allowed in the number of target dwelling units required.
- G. A density bonus housing agreement shall be made a condition of the development review permit for all housing developments that request a density bonus or in-lieu incentives. The relevant terms and conditions of the density bonus housing agreement shall be filed and recorded as a deed restriction on those individual lots or units of a project development which are designated for the location of target dwelling units. The density bonus housing agreement shall be consistent with Section 17.26.140 of this chapter.
- H. Upon application by a developer pursuant to this Section, the final decision making authority of the city shall grant either a density bonus and at least one concession or incentive, or in-lieu incentive(s) of equivalent financial value to qualified lower-income and/or moderate-income housing developments unless specific findings are made pursuant to Government Code Section 65589.5 to disapprove the project.
- I. The value of each incentive will vary from project to project, therefore, additional incentives or in-lieu incentive(s) shall be determined on a case-by-case basis.
- J. This section shall not limit or require the city to provide direct financial incentives or publicly owned land for the housing development, or to waive fees or dedication requirements. All incentives are to be negotiated between the city and the developer.
- K. It is the exclusive prerogative of the city to offer in-lieu incentive(s) of equivalent financial value, based upon the land cost per dwelling unit, instead of a density bonus and at least one additional incentive.
- L. Nothing in this section shall be construed to require the city to approve a proposal to convert apartments to condominiums.

#### **SECTION 17.26.090 Incentives and Concessions.**

A. An applicant for a density bonus may also submit to the City a proposal for specific incentives or concessions in exchange for the provision of affordable housing units in accordance with this Chapter. All requests for incentives and concessions in association with applications for a density bonus are subject to Section 17.26.110. Applicants may request a meeting with the City to discuss requests pursuant this Section.

- B. The City shall grant the concession or incentive requested by the applicant unless the City makes a written finding, based upon substantial evidence, of either of the following:
  - 1. The concession or incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.5 of the California Health and Safety Code; or
  - 2. The concession or incentive would have a specific adverse impact upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.
- C. If the conditions of Section 17.26.040(A) are met by an applicant making a request pursuant this Section, the City shall grant the applicant the following number of incentives or concessions:
  - 1. One (1) incentive or concession for housing developments that include: at least ten percent (10%) of the total units affordable to lower-income households; or at least five percent (5%) of the total units affordable to very low-income households; or at least ten percent (10%) of the total units affordable to persons and families of moderate income in a condominium or planned development;
  - Two (2) incentives or concessions for housing developments that include: at least twenty percent (20%) of the total units affordable to lower-income households; or at least ten percent (10%) of the total units affordable to very low-income households; or at least twenty percent (20%) of the total units affordable to persons and families of moderate income in a condominium or planned development;
  - 3. Three (3) incentives or concessions for housing developments that include: at least thirty percent (30%) of the total units for lower-income households; or at least fifteen percent (15%) for very low-income households; or at least thirty percent (30%) for persons and families of moderate income in a condominium or planned development.

### SECTION 17.26.100 Waiver/Modification of Development Standards

- A. Applicants may submit a proposal to the City for the waiver, modification or reduction of development standards that will otherwise preclude or inhibit the use of density bonus units in a housing development at the densities or with the concessions or incentives permitted by this Chapter. The applicant may also request a meeting with the City to discuss such request for waiver/modification.
- B. In order to obtain a waiver/modification of development standards, the applicant shall show that the development standards will have the effect of precluding the construction of a housing development meeting the criteria of Section 17.26.040(A), at the densities or with the concessions or incentives permitted by this Chapter. The applicant shall also show that the waiver or modification is necessary to make the housing units economically feasible.
- C. Nothing in this Section shall be interpreted to require the City to waive, modify or reduce development standards if the waiver, modification or reduction would have a specific adverse impact upon health, safety, or the physical environment, and for

- which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.
- D. Nothing in this Section shall be interpreted to require the City to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources.

## SECTION 17.26.110 Justification for Concessions, Incentives, or Waiver/Modification of Development Standards

- A. In addition to the requirements of Section 17.26.090 and Section 17.26.100, an applicant requesting a density bonus and/or development standard concession(s), incentive(s) or waiver/modification of development standard(s) shall show, using the following methods, that the concession, incentive or waiver/modification is necessary to make the development project economically feasible:
  - A development pro forma with the capital costs, operating expenses, return on investment, loan-to-value ratio and the debt coverage ratio, including the contribution(s) provided by any applicable subsidy program(s), and the economic effect created by the minimum 30-year use and income restrictions on the affordable housing units; and
  - 2. An appraisal report indicating the value of the density bonus and of the incentive(s)/concession(s); and
  - 3. A use of funds statement identifying the projected financing gap for the project with the affordable housing units. The analysis shall show how much of the funding gap is covered by the density bonus and how much by the incentive(s)/concession(s).

### **SECTION 17.26.120 Parking Standards**

- A. Housing developments meeting any of the criteria of Section 17.26.050(A), shall be granted the following maximum parking ratios, inclusive of handicapped and guest parking, which shall apply to the entire development, not just the restricted affordable units, when requested by a developer:
  - 1. Zero (0) to one (1) bedroom dwelling unit: one (1) onsite parking space;
  - 2. Two (2) to three (3) bedrooms dwelling unit: two (2) onsite parking spaces;
  - 3. Four (4) or more bedrooms: two and one-half (2 1/2) parking spaces.
- B. If the total number of spaces required results in a fractional number, it shall be rounded up to the next whole number. For purposes of this Subsection, a development may provide "onsite parking" through tandem parking or uncovered parking, but not through on-street parking.
- C. These parking standards may be granted when requested by a developer even if no density bonus is requested provided that all conditions of Section 17.26.040(A) are met.
- D. Application of these parking standards to a housing development meeting the criteria of Section 17.26.040(A) shall be counted as one of the incentives or concessions set forth in Section 17.26.090(C). Request for further parking reductions beyond those provided in this Section shall be counted as an additional incentive or concession set forth in Section 17.26.090(C).

- A. An applicant shall agree to, and the city shall ensure, continued affordability of all low- and very low-income units that qualified the applicant for the award of the density bonus for a period of thirty (30) years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for affordable housing units for lower-income households shall be set at an affordable rent. Owner-occupied affordable housing units shall be available at an affordable housing cost.
- B. An applicant shall agree to, and the City shall ensure, that the initial occupant of moderate-income units that are directly related to the receipt of the density bonus in a condominium project or in the planned unit development, are persons and families of moderate-income and that the units are offered at an affordable housing cost. The City shall enforce an equity-sharing agreement, unless it is in conflict with the requirements of another public funding source or law. The following shall apply to the equity-sharing agreement:
  - Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate share of appreciation. The City shall recapture any initial subsidy and its proportionate share of appreciation, which shall then be used within three years for any of the purposes that promote home ownership as described in Subdivision (e) of Section 33334.2 of the California Health and Safety Code.
  - 2. For purposes of this Subsection, the City's proportionate share of appreciation shall be equal to the percentage by which the initial sale price to the moderate-income household was less than the fair market value of the home at the time of initial sale. If upon resale, the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.
  - 3. For the purposes of this subdivision, the local government's proportionate share of appreciation shall be equal to the ratio of the initial subsidy to the fair market value of the home at the time of initial sale.

## SECTION 17.26.140 Density Bonus Housing Agreement Required

A. Applicants/developers requesting a density bonus, concession or incentives shall demonstrate compliance with this Chapter by the preparation and approval of a density bonus housing agreement. The applicant shall submit said agreement to the City Department of Finance. The terms of the agreement shall be subject to review and approval by the Director of Development Services, the Director of Finance and the City Attorney. Following the approval and signing by all parties, the completed density bonus housing agreement shall be recorded and the relevant terms and conditions there from filed and recorded as a deed restriction on those individual lots or units of a property which are designated for the location of target dwelling units. The approval and recordation shall take place prior to final map approval, or, where a map is not being processed, prior to issuance of building permits for such lots or units. The density bonus housing agreement shall be binding to all future owners and successors in interest.

- B. A density bonus housing agreement processed pursuant to this Chapter shall include the following:
  - 1. The number of density bonus dwelling units granted;
  - 2. The number of lower-income dwelling units proposed;
  - 3. The units' size(s) in square footage of target dwelling units and the number of bedrooms per target dwelling unit;
  - 4. The proposed location of the lower-income target dwelling units;
  - 5. Tenure of restrictions for target dwelling units;
  - 6. Schedule for production of target dwelling units;
  - 7. Concessions or incentives and/or financial assistance provided by the City;
  - 8. Where applicable, tenure and conditions governing the initial sale of for-sale target units; and
  - Where applicable, tenure and conditions establishing rules and procedures for qualifying tenants, setting rental rates, filling vacancies, and operating and maintaining units for rental target dwelling units.
- C. A density bonus housing agreement for condominium conversions processed pursuant to this Chapter shall be required to include the following:
  - 1. The number of density bonus dwelling units granted;
  - 2. The number of lower and moderate-income dwelling units provided;
  - 3. The unit size(s) in square footage of target dwelling units and number of bedrooms per target dwelling unit;
  - 4. The proposed location of the lower and moderate-income target dwelling units;
  - 5. Tenure of affordability for target dwelling units (thirty year minimum);
  - 6. Schedule for production of target dwelling units; and
  - 7. Terms and conditions of for-sale target dwelling units.

## SECTION 17.26.150 Density bonus resale agreement

All buyers of for-sale target dwelling units shall enter into a density bonus resale agreement with the City prior to purchasing the unit or property. The resale agreement shall specify that the title to the subject property or unit may not be transferred without prior written approval of the City.

## SECTION 17.26.160 Eligibility requirements

Only households meeting the standards for lower-income households, moderate-income households and qualified (senior) residents as defined in Section 17.26.020 shall be eligible to occupy target dwelling units.

## SECTION 17.26.170 Management and monitoring

Rental target dwelling units shall be managed/operated by the developer or his or her agent. Each developer of rental target dwelling units shall submit an annual report to the City Department of Finance by March 1, identifying which units are target dwelling units, the monthly rent, vacancy information for each target rental dwelling unit for the prior year, and other information as required by the City, while ensuring the privacy of the tenant.

#### SECTION 17.26.180 Density bonus request process

- A. All housing development requesting a density bonus pursuant to this Chapter, shall be required to comply with the application requirements of this Section.
- B. Preliminary Proposal. A developer shall first submit a written proposal as follows:
- 1. Density Bonus. Any request for a density bonus shall be made concurrent with an application for development review, and shall include the following information:
  - a. A legal description of the total site proposed for development of the target dwelling units including a statement of present ownership and present and proposed zoning.
  - b. A detailed vicinity map showing the project location and such details as the location of the nearest commercial retail, transit stops, potential employment locations, public park or recreation facility or other social or community service facilities.
  - c. Three copies of a site plan designating the total number of units proposed on the site, including the number of target dwelling units and density bonus dwelling units, and supporting plans per the application submittal requirements.
  - d. The total number of requested housing units above the amount allowed by the existing zoning and any additional incentives being requested.
  - e. The number of affordable units by number of bedrooms and income group to be provided in the project.
  - f. The term of affordability for affordable units.
  - g. The standards for maximum qualifying incomes for affordable units.
  - h. The process to be used to verify tenant/homeowner incomes.
  - i. The process for monitoring of the affordable units.
  - i. How vacancies will be marketed and filled.
  - k. Restrictions and enforcement mechanisms binding on property upon sale or transfer.
  - I. Penalties and enforcement mechanisms in the event of failure to maintain affordability provisions.
  - m. The specific incentives or concessions the applicant is seeking, information regarding that incentive(s) or concession(s), and to request, if desired, to meet with the City regarding the incentive or concession request.
  - n. Any other provisions deemed necessary by the City.
- 2. Waiver or Modification of Development Standards. Any developer requesting a waiver or modification of development standards shall provide evidence that the additional waiver or modification is necessary to make the project economically feasible. The developer shall submit the project cost per unit of the proposed development and information to substantiate that cost. This will include, but not be limited to:
  - a. Capital costs
  - b. Equity investment
  - c. Debt service

- d. Projected revenues
- e. Operating expenses
- f. Other information requested by the City

Note: Nothing in this Section shall be interpreted to require the City to waive or reduce development standards if the waiver or modification would have a specific adverse impact upon health, safety, or the physical environment or on any real property that is listed in the California Register of Historical Resources.

3. The City shall respond within ninety days of receipt of a written preliminary proposal, notifying the developer in writing of the procedures which will be followed in processing the formal application for applicable discretionary permits.

#### SECTION 17.26.190 Location and Type of Designated Units 106

- A. Location/dispersal of units. Target dwelling units shall be reasonably dispersed throughout the project where feasible, shall contain on average the same number of bedrooms as the non-target dwelling units in the project, and shall be compatible with the design or use of remaining units in terms of appearance, amenities, materials, and finished quality.
- B. Phasing. If a project is to be phased, the target dwelling units shall be phased in the same proportion as the non-target dwelling units, or phased in another sequence acceptable to the City.

## SECTION 17.26.200 Automatic Incorporation by Reference of Future Amendments to the State Density Bonus Law

This Chapter implements Government Code Sections 65915-65917. In the event these Sections are amended, those amended provisions shall be incorporated into this Division. Should any inconsistencies exist between the amended state law and the provisions set forth herein, the amended state law shall prevail. Until the Code is formally amended to eliminate any such inconsistencies, the City Planner shall maintain an explanation of all such amendments. A copy of that document shall further be available at the City Clerk's Office.

Section 2. The City Council hereby authorizes and directs the City Clerk to undertake such actions as may be reasonably necessary or convenient to the carrying out and administration of the actions authorized by this Ordinance.

Section 3. This Ordinance shall become effective thirty (30) days after its passage.

<u>Section 4.</u> The City Clerk is directed to publish notice of this Ordinance as required by law.

INTRODUCED AND FIRST	<b>READ</b> at a h	Regular Meeting	g of the City C	ouncil of the	3 City of
Santee, California, on the	day of	, 2007, and	thereafter AD	<b>OPTED</b> at a	Regular
Meeting of said City Council	held on the	day of	, 2007, by	the following	y vote to
wit:					-

AYES:

NOES:

ABSENT:	
	APPROVED:
	RANDY VOEPEL, MAYOR
ATTEST:	, ,
ATTEOT.	
LINDA A. TROYAN, MMC, CITY CLERK	

## MEETING DATE August 8, 2007

## AGENDA ITEM NO.

ITEM TITLE RESOLUTION ADOPTING A STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF COMMUNITY FACILITIES **DISTRICTS** 

## **DIRECTOR/DEPARTMENT** Keith Till, City Manager

SUMMARY It is anticipated that the City will be requested by current and future homebuilders to assist the construction of related public facilities through formation of Community Facilities Districts (CFD). State law requires that the City first adopt goals and policies regarding the establishment of such districts. Staff has worked with expert consultants on a document that incorporates best practices from other jurisdictions and addresses concerns specific to Santee. No costs have been incurred by the City and no future obligations have been entered into. Approval of this item would only establish criteria by which City Council would consider future requests for formation of a CFD.

FINANCIAL STATEMENT The proposed actions do not require a financial commitment by the City. The adoption of Mello-Roos goals and policies does not commit the City to any future actions.

## RECOMMENDATIONS

1. Adopt resolution adopting the "Statement of Goals and Polices Regarding the Establishment of Community Facilities Districts"

## **ATTACHMENTS (Listed Below)**

- 1. Staff Report
- 2. Resolution and Statement of Goals and Policies

## Mello-Roos Goals and Policies Staff Report August 8, 2007

## **Mello-Roos Financing Overview**

The Mello-Roos Community Facilities Act was adopted in 1982 to provide an alternate means for financing public infrastructure following the passage of Proposition 13. It has been amended many times to make it an increasingly useful tool, and to add additional requirements to protect the interests of taxpayers, the sponsoring government agency and bond investors. The key feature of the Mello-Roos Act is the creation of a special district empowered to levy special taxes to finance a wide range of public improvements and services. As a special tax, formation of the district would require 2/3rds vote of registered voters, but the Mello-Roos act provides for a vote of property owners when less than twelve voters reside in the district. As such, it has become a useful tool for financing public improvements in connection with the original development of property.

#### **Proposed Mello-Roos Policies and Guidelines**

State law requires that, prior to formation of a CFD, the sponsoring agency has adopted goals and policies regarding such districts. City staff, with input from the City's financing team, has drafted policies for the Council's adoption. These policies incorporate the best practices that have evolved in this area of finance, and represent relatively conservative criteria. Like all written policies, these will be revisited periodically and modifications recommended reflecting the City's own experience as well as evolving market practices. The City may choose to waive specific policy requirements, but any such waivers must be explicitly identified and will require Council action.

Among the key features of the goals and policies are the following:

- The stated underlying principles are the protection of the public interest, assuring fairness in the application of special taxes to current and future property owners, assuring full disclosure of the existence of any special tax liens, insuring the creditworthiness of any community facilities district special tax bonds, protecting the City's credit rating and financial position, and assuring that applicants for all community facilities district proceedings other than any City-initiated proceedings pay all costs associated with the formation of any community facilities district.
- The attributes of the new development will provide, in the opinion of the City Council, a public benefit to the community at large as well as the benefit to be derived by the properties within the community facilities district.
- Special taxes must be allocated and apportioned on a reasonable basis to all categories and classes of property (other than exempt property) within the community facilities district.
- The maximum annual special tax applicable to any parcel used for residential purposes within a community facilities district formed by the City shall not exceed one percent of the sale price of newly developed residential properties subject to the levy of the special tax as of the date of the initial sale of any residential dwelling unit to such residential home owner.
- The total of property taxes, assessments and special taxes appearing on the property tax bill shall not exceed two percent of such initial sales price of newly developed properties.

- Rate and method of apportionment for special taxes must be sufficient to meet the financial requirements of the CFD, including producing special tax revenues at least equal to 110% of projected annual debt service on all bonds and administrative expenses.
- Each special tax bond issue shall be structured to adequately protect bond owners and to avoid negatively impacting the bonding capacity or credit worthiness of the City. Specific requirements include debt service reserve funds and minimal levels of capitalized interest.
- The value-to-debt ratio of a CFD must be at least 4:1, except under limited exceptions. The value-to-debt ratio is the full market value of the properties subject to the levy of special taxes, including the value of the improvements to be financed from the proceeds of the special tax, compared to the aggregate amount of the special tax lien proposed to be created plus any prior fixed assessment liens and/or special tax liens, The policies set forth specific requirements for appraisals and absorption studies.
- Disclosure of special taxes to potential purchasers must meet the various requirements of state law.
- All City and consultant costs incurred in the proceedings to form a community facilities district and issue special tax bonds will be paid by the applicant by advance deposit with the City.
- The City shall select and retain all consultants necessary for the evaluation of any application and the formation proceedings.

#### Conclusion

While the action recommended herein is prerequisite for the formation of a Mello-Roos financing district, it does not commit the City to doing so. Several additional steps will be required to implement the proposal. The adoption of goals and policies will position the City to consider applications in the future.

# A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, ADOPTING A STATEMENT OF LOCAL GOALS AND POLICIES CONCERNING THE USE OF THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982, AS AMENDED

WHEREAS, the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, now provides that a local government, including the City of Santee (the "City"), may initiate proceedings to establish a community facilities district pursuant to the Act only if the legislative body thereof has first considered and adopted local goals and policies concerning the use of the Act; and,

**WHEREAS**, the City Council now desires to state its goals and policies concerning the use of the Act.

**NOW THEREFOR BE IT RESOLVED** by the City Council of the City of Santee, California, as follows:

**Section 1**. The above recitals are all true and correct.

<u>Section 2</u>. The "City of Santee Statement of Statement of Goals and Policies for the Use of the Mello-Roos Community Facilities Act of 1982" (the "Goals and Policies") attached as Exhibit "A" hereto and incorporated herein by this reference are hereby adopted. A copy of the Goals and Policies shall be kept on file in the Office of the City Clerk.

**Section 3.** This resolution shall become effective upon its adoption.

**ADOPTED** by the City Council of the City of Santee, California, at a Regular Meeting thereof held this 8<sup>th</sup> day of August, 2007, by the following roll call vote to wit:

AYES:	
NOES:	
ABSENT:	
	APPROVED:
ATTEST:	RANDY VOEPEL, MAYOR
LINDA A. TROYAN, CITY CLERK	

#### **CITY OF SANTEE**

## STATEMENT OF GOALS AND POLICIES REGARDING THE ESTABLISHMENT OF

#### **COMMUNITY FACILITIES DISTRICTS**

#### **PURPOSE AND SCOPE**

The City Council of the City of Santee (the "City Council") hereby establishes and states its goals and policies concerning the use of the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 of Part I of Division 2 of Title 5 of the Government Code of the State of California) (the "Act"), as amended, in providing adequate public infrastructure improvements and public services for the City of Santee (the "City"). The following goals and policies shall apply to all community facilities districts hereafter formed or proposed to be formed by the City. Any policy or goal stated herein may be supplemented, amended or waived by resolution or motion adopted by the City Council.

The purpose of this Statement of Goals and Policies is to provide the City staff, the residents of the City and the owners and developers of property located within the City with guidance in the application for and consideration of the establishment of community facilities districts within the City for the purpose of financing or assisting in financing the acquisition or construction of public infrastructure or the provision of authorized public services to benefit and serve either existing or new development or a combination thereof. The underlying principles behind this policy are the protection of the public interest, assuring fairness in the application of special taxes to current and future property owners, assuring full disclosure of the existence of any special tax liens, insuring the creditworthiness of any community facilities district special tax bonds, protecting the City's credit rating and financial position and assuring that applicants for all community facilities district proceedings other than City initiated proceedings pay all costs associated with the formation of any community facilities district.

The scope of this policy is limited to the proposed formation of community facilities districts for the limited purpose of financing or assisting in financing the acquisition or construction of public infrastructure and/or the provision of authorized public services.

#### INTRODUCTORY STATEMENT

The City will consider applications initiated by owners or developers of vacant property proposed to be developed, owners of property within existing developed areas or registered voters residing in existing developed areas or the City itself for the establishment of community facilities districts to finance authorized public improvements or to provide authorized public services which benefit or serve existing or new development or a combination thereof. A community facilities district proposed to be established to finance public improvements or authorized services to serve new development may be referred to as a "Development Related CFD."

Each application for the establishment of a community facilities district must comply with the applicable goals and policies contained herein unless the City Council expressly grants an exception to or waiver of such policy or policies as they apply to a specific application.

#### FINDING OF PUBLIC INTEREST OR BENEFIT

The City Council may authorize the initiation of proceedings to form a community facilities district to finance authorized public improvements or to provide authorized public services if the City Council determines that the public improvements to be financed or public services to be provided or, in the case of a Development Related CFD, the attributes of the new development will provide, in the opinion of the City Council, a public benefit to the community at large as well as the benefit to be derived by the properties within the community facilities district.

Examples of public benefit to the community at large may include, but are not limited to, the following:

- 1. Construction of a major public facility which meets a community need including, but not limited to, a major arterial which will provide a vital roadway facility to alleviate congestion, water storage facilities which will remedy inadequate fire flow, and storm drainage facilities which are a part of the storm drainage master plan.
- 2. Provision of public infrastructure sooner than would otherwise be required for a particular development project.
- 3. Construction of public infrastructure to serve commercial or industrial projects which will expand the City's employment and/or sales tax base.
- 4. Provision of new development that meets specific land use goals and objectives of the City.
- 5. Provision of maintenance or other authorized public services such as landscaping, lighting, storm drain, flood control or open space maintenance necessary to promote or maintain quality of life and public safety within existing or developing areas of the City.

#### **AUTHORIZED PUBLIC FACILITIES**

Facilities eligible to be financed by a community facilities district must, upon the completion of the construction or acquisition thereof financed through such a community facilities district, be owned by the City, another public agency or a public utility and must have a useful life of five (5) years or more. The list of eligible facilities include, but are not limited to, the types of facilities specified in Government Code Section 53313, as it currently exists, or may hereafter be amended.

The funding of facilities to be owned, operated or maintained by public agencies other than the City shall be considered on a case-by-case basis. If such facilities are consistent with the approved land use plans for the proposed community facilities district, the City may consider entering into a joint community facilities agreement in order to permit the financing of such facilities through such community facilities district.

The City Council shall have the final determination as to the eligibility of any facility for financing.

#### PRIORITIZATION OF FACILITIES

It is the policy of the City to give first priority to the provision of public facilities benefiting the City in any community facilities district established by the City. It is secondarily the policy of the City, in any community facilities district established by the City, to assist in the financing of other public facilities to be owned, operated or maintained by other public agencies or public utilities. The City Council shall have the final determination as to the prioritization of financing of any facilities.

#### **AUTHORIZED PUBLIC SERVICES**

Except as provided in the following paragraph, public services proposed to be financed through a community facilities district may include such services as may be authorized by the Act. The City Council shall have the final determination as to the prioritization of financing of such services.

A community facilities district formed by the City may not finance public services provided by any other public agency.

#### **SPECIAL TAX REQUIREMENTS**

#### Reasonable Basis of Apportionment.

Special taxes must be allocated and apportioned on a reasonable basis to all categories and classes of property (other than exempt property) within the community facilities district. Exemptions from the special tax may be given to parcels which are publicly owned, are held by property owners associations, are used for a public purpose such as permanent open space or wetlands, or are affected by public utility easements making impractical their utilization for other than the purposes set forth in the easement.

#### Maximum Special Taxes and Aggregate Tax and Assessment Burden.

It is the policy of the City that the maximum annual special tax applicable to any parcel used for residential purposes within a community facilities district formed by the City shall not exceed one percent (1 %) of the base sale price, i.e., excluding upgrades and lot premiums, of residential properties to be subject to the levy of the special tax (the "Developed Residential Properties"), determined as of the date of formation of the community facilities district. The base sales price of such Residential Properties shall be based upon (a) a price point analysis undertaken by a market absorption consultant retained by the City or (b) a price point analysis undertaken by a market absorption consultant retained by the applicant for a proposed community facilities district and which conclusions have been verified by a market absorption consultant retained by the City. As a distinct and separate requirement, the total of the following property taxes, assessments and special taxes described below, shall not exceed two (2%) of such base sales price of Developed Residential Properties:

- A. Ad valorem property taxes.
- B. Voter approved ad valorem property taxes in excess of one percent (1 %) of the assessed value of the subject properties.
- C. The maximum annual special taxes levied by the community facilities district under consideration and any other community facilities district or other public agency.
- D. The annual assessment installments, including any administrative surcharge, for any existing assessment district where such assessment installments are utilized to pay debt service on bonds issued for such assessment district.
- E. Annual assessments levied within an assessment district to pay for maintenance or services.

The foregoing requirement shall apply not only to property taxes, assessments and special taxes which are being levied at the time of formation of the community facilities district but such additional property taxes, assessments and special taxes which have been authorized but not yet levied, as estimated by the City.

#### Rate and Method of Apportionment of Special Taxes.

The rate and method of apportionment of the special tax for any community facilities district shall adhere to the following requirements:

A. The rate and method of apportionment for special taxes for a community facilities district must be structured so as to produce special tax revenues sufficient to (a) pay scheduled debt service on all bonds issued for the community facilities district (the "Bonds"), (b) pay annual services or maintenance expense if applicable, (c) pay amounts equal to existing or projected delinquencies in special tax payments, (d) fund any amounts required to establish or replenish any reserve fund established for such Bonds, and (e) pay reasonable and necessary annual administrative expenses of the community facilities district. Additionally, the rate and method of apportionment may be structured so as to produce amounts sufficient to fund (a) amounts to pay directly the costs of public facilities authorized to be financed by the community facilities

- district, (b) the accumulation of funds reasonably required for future debt service on Bonds, (c) remarketing, credit enhancement or liquidity fees, and (d) any other costs or payments permitted by law. The special tax revenues necessary to fund all required expenses or deposits for a community facilities district may be referred to as the "Special Tax Requirement."
- B. In any case, the rate and method of apportionment must be structured such that the projected maximum special tax that could be levied in any fiscal year would produce special tax revenues at least equal to (a) 110% of projected annual debt service on all Bonds for the calendar year commencing in such fiscal year, plus (b) projected administrative expenses of the community facilities district for the calendar year commencing in such fiscal year.
- C. A backup special tax shall be required for any Development Related CFD to protect against changes in density resulting in the generation of insufficient special tax revenues to pay annual debt service and administrative expenses. The City Council may additionally or alternatively require that as a condition of approval of the downsizing of the development in a Development Related CFD at the request of the applicant or the applicant's successor-in-interest, as applicable, must prepay such portion of the special tax obligation as may be necessary in the determination of the City to ensure that adequate debt service coverage exists with respect to any outstanding bonds or otherwise provides security in a form and amount deemed necessary by the City Council to provide for the payment of debt service on the bonds.
- D. An option to permit the prepayment, in whole or in part, of the special tax obligation for an individual parcel shall be included in any rate and method of apportionment of special taxes to pay for public facilities. Such prepayment shall be permitted only if (a) the payment of all special taxes for such a parcel is current and (b) following such prepayment, the projected maximum special taxes that could be levied in any fiscal year on all remaining taxable property within the community facilities district will produce the special tax revenues required in paragraph B above. No prepayment shall be permitted of a special tax levied to finance authorized services or maintenance.
- E. The maximum special tax to pay for public facilities shall be levied against any parcel used for private residential purposes in the first fiscal year following the fiscal year in which the building permit for the construction of a residential dwelling unit on such parcel is issued and such maximum special tax may not escalate.
- F. The rate and method of apportionment of a special tax to pay for public facilities shall specify a fiscal year beyond which the special tax may not be levied on any parcel used for private residential purposes. In most cases, that final date will be ten (10) years after the stated maturity of any bonds issues. Such a special tax will cease to be levied when all bonds and the City's administrative costs have been paid. A special tax to pay for public services or maintenance shall have no termination date unless established by the City Council.

#### CREDIT QUALITY REQUIREMENTS FOR SPECIAL TAX BONDS

#### Terms and Conditions of Special Tax Bonds.

All terms and conditions of any special tax bonds issued by the City for any community facilities district, including, without limitation, the sizing, timing, term, interest rates, discount, redemption features, flow of funds, investment provisions and foreclosure covenants, shall be established by the City. Each special tax bond issue shall be structured to adequately protect bond owners and to avoid negatively impacting the City's access to the municipal bond market. Unless otherwise approved by the City Council, the following shall serve as minimum bond requirements:

A. A reserve fund shall be established for each bond issue to be funded out of the bond proceeds in an amount equal to 10% of the original proceeds of the bonds or such lesser amount as may be required by federal tax law.

- B. Interest shall be capitalized for a bond issue only so long as necessary to place the special tax installments on the assessment roll; provided, however, interest may be capitalized for a term to be established in the sole discretion of the City Council on a case-by-case basis, not to exceed an aggregate of 18 months, taking into consideration the value-to-debt ratio, the expected timing of initial occupancies, expected absorption and buildout of the project, the expected construction and completion schedule for the public improvements to be funded from the proceeds of the bond issue in question, the size of the bond issue, the development pro forma and the equity position of the applicant and such other factors as the City Council may deem relevant. Irrespective of the term or amount of capitalized interest included in any bonds issued for a community facilities district, the maximum special tax shall be levied against any parcel used for private residential purposes in the first fiscal year following the fiscal year in which the building permit for the construction of such residential dwelling unit is issued.
- C. In instances where multiple series of bonds are to be issued, the City shall determine what improvements shall be financed from the proceeds of each series of bonds.
- D. The City shall not be required or expected to make any payment of the bonds out of its general funds or other available funds. The sole source of revenue for the payment of the bonds shall be the special taxes, capitalized interest, if any, and moneys on deposit in the reserve fund established for such bonds.

#### Credit Enhancement.

Where a substantial amount of a property within a community facilities district is undeveloped at the time of issuance of Bonds for such community facilities district, the City may, in its discretion, require credit enhancement to increase the security of the Bonds, particularly where the value-to-debt ratio of a significant portion of the property in such community facilities district is less than 4:1, or in such other situations where the City determines such an increase in credit quality to be necessary, appropriate or prudent. Such credit enhancement will usually be in the form of an irrevocable standby letter of credit, will be required to be in an amount not less than 200% of the share of debt service allocable to the applicable developer owned parcels for which such credit enhancement is required and will be required to remain in effect until the share of debt service allocable to such developer owned parcels is less than 20% of the annual debt service on all outstanding bonds issued for such community facilities district. The credit enhancement will generally be required to be issued or guaranteed by an entity, the long term unsecured obligations of which are rated at least "A" by Moody's Investor Services or Standard & Poor's Ratings Services.

#### **REQUIRED-VALUE-TO-DEBT RATIO**

It is the policy of the City that the value-to-debt ratio, i.e., the full market value of the properties subject to the levy of special taxes, including the value of the improvements to be financed from the proceeds of the issue or series of special tax bonds for which the value-to-debt ratio is being computed, compared to the aggregate amount of the special tax lien proposed to be created plus any prior fixed assessment liens and/or special tax liens, for a community facilities district must be at least 4:1. A community facilities district with a value-to-debt ratio of less than 4:1 but equal to or greater than 3:1 may be approved, in the sole discretion of the City Council, upon a determination by the City Manager, after consultation with the Finance Director, the bond counsel, the underwriter and the financial advisor, that a value-to-debt ratio of less than 4:1 is financially prudent under the circumstances of the particular community facilities district. In addition, the City Council may, in its sole discretion, accept a form or forms of credit enhancement such as a letter of credit, bond insurance or the escrow of bond proceeds to offset a deficiency in the required value-to-debt ratio as it applies to the taxable property within the community facilities district in the aggregate or with respect to any development area.

The value-to-debt ratio shall be determined based upon the full market value of the properties subject to the levy of the special tax as shown on the ad valorem assessment roll or upon an appraisal of the properties proposed to be assessed. The City Manager may require that the value-to-debt ratio be determined by an appraisal if, in his judgment, the assessed values of the properties proposed to be assessed do not reflect the current full cash value of such properties. The appraisal shall be coordinated by, done under the direction of, and addressed to the City. The appraisal shall be undertaken by a state certified real estate appraiser, as defined in Business and Professions Code Section 11340. The appraisar shall be selected and retained by the City. The costs associated with the preparation of the appraisal report shall be paid by the applicant for the community facilities district, but shall be subject to possible reimbursement as provided for herein. The appraisal shall be conducted in accordance with assumptions and criteria established by the City, based upon the definitions, standards and assumptions contained in the following section.

#### **APPRAISALS**

The definitions, standards and assumptions to be used in appraisals required in connection with the City's use of the Act for community facilities districts are as set forth in the Appraisal Standards for Land Secured Financings published by the California Debt Advisory Commission and originally dated May 1994 and modified July 2004 (the "CDIAC Guidelines").

Notwithstanding the foregoing, if there is a conflict between the definitions, standards or assumptions in the CDIAC Guidelines and the corresponding definitions, standards or assumptions in the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation ("USPAP"), USPAP shall govern.

#### **ABSORPTION STUDY**

An independent absorption study of any proposed residential development project within a proposed community facilities district, and in such other cases as may be appropriate, shall be required for the formation of such community facilities district. The independent absorption study shall be used (1) as a basis to verify proposed base pricing of the finished products (lots or completed buildings or dwelling units) subject to the levy of the special tax, (2) to determine the projected market absorption of such finished products and (3) as a basis for verification that sufficient special tax revenues can be generated to fund the Special Tax Requirement for the community facilities district. The City may require an independent absorption study of any proposed industrial or commercial development within a proposed community facilities district. Additionally, the projected absorption rates will be provided to the appraiser for use in the appraisal.

#### DISCLOSURE TO PROPERTY PURCHASERS IN DEVELOPMENT RELATED CFD'S

The developer of property within a Development Related CFD who is selling lots, parcels or developed properties therein shall provide disclosure notice to prospective purchasers that comply with all of the requirements of the Act, including but not limited to Government Code Section 53341.5.

The applicant must keep an executed copy of each disclosure document and agree to provide a copy of all applicable executed disclosure documents to the City upon request.

#### PREFORMATION COST DEPOSITS AND REIMBURSEMENTS

Except for those applications for community facilities districts where the City is the applicant, all City and consultant costs incurred in the proceedings to form a community facilities district and issue special tax bonds therefor will be paid by the applicant by advance deposit with the City of moneys sufficient to pay all such costs.

Each application for the formation of a community facilities district shall be accompanied by an initial deposit in an amount to be determined by the City Manager or the Director of Finance to be adequate to fund the evaluation of the application and undertake the proceedings to form the community facilities district and issue the special tax bonds therefor. The City Manager or the Director of Finance may, in his or her sole discretion, permit an applicant to make periodic deposits to cover such expenses rather than a single lump sum deposit; provided, however, no preformation costs shall be incurred by the City in excess of the amount then on deposit for such purposes. If additional funds are required to pay required preformation costs, the City Manager or the Director of Finance may make written demand upon the applicant for such additional funds and the applicant shall deposit such additional funds with the City within seven (7) working days of the date of receipt of such demand. Upon the depletion of the funds deposited by applicant for preformation costs, all proceedings shall be suspended until receipt by the City of such additional funds as the City Manager or the Director of Finance may demand.

The deposits shall be used by the City to pay for costs and expenses incurred by the City incident to the evaluation of the application and the proceedings for the formation of the community facilities district and the issuance of the special tax bonds therefor, including, but not limited to, legal, special tax consultant, engineering, appraisal, market absorption, financial advisor, City administrative and staff costs and expenses, required notifications, printing and publication costs.

The City shall refund any unexpended and unencumbered portion of the deposits upon the occurrence of one of the following events:

- A. The formation of the community facilities district and the issuance of the special tax bonds for such community facilities district;
- B. The formation of the community facilities district or the issuance of the special tax bonds is disapproved by the City Council;
- C. The proceedings for the formation of the community facilities district and the issuance of the special tax bonds are abandoned at the written request of the applicant; or
- D. It is determined for some other reason that the special tax bonds may not be issued and sold.

Except as otherwise provided herein, the applicant shall be entitled to reimbursement of all amounts deposited with the City to pay for costs incident to the proceedings for the formation of the community facilities district and the issuance of the special tax bonds therefor upon the formation of the community facilities district and the successful issuance and sale of the special tax bonds for the community facilities district. Any such reimbursement shall be payable solely from the proceeds of the special tax bonds.

The City shall not accrue or pay interest on any moneys deposited with the City.

#### **SELECTION OF CONSULTANTS**

The City shall select and retain all consultants necessary for the evaluation of any application and the proceedings for the formation of a community facilities district and the issuance of the special tax bonds therefor, including, but not limited to, special tax consultant, bond counsel, disclosure counsel, financial advisor, underwriter, appraiser, and market absorption analyst after consultation with the applicant.

#### **LAND USE APPROVALS**

Properties proposed to be included in a Development Related CFD must have received such discretionary land use approvals as may, in the determination of the City, be necessary to enable the City to adequately evaluate the community facilities district including the properties to

be included and the improvements proposed to be financed. The City will issue bonds secured by the levy of special taxes within a Development Related CFD only when (i) the properties included within such community facilities district have received those applicable discretionary land use approvals which would permit the development of such properties consistent with the assumptions utilized in the development of the rate and method of apportionment of the special taxes for such community facilities district and (ii) applicable environmental review has been completed. The final rate and method of apportionment of the special taxes approved at the time of the adoption of the resolution of formation of a community facilities district will be based upon the final map of the property within the community facilities district. Bond proceeds will only be released to the extent that such bonds are secured by the levy of special taxes on properties that require no further discretionary land use approvals or regulatory permits the denial of which could prohibit or delay the development of such property, including but not limited to, rough or finish grading, construction of both in tract and offsite public improvements, construction of all private improvements and/or the issuance of building permits for such property.

It is the policy of the City Council in granting approval for development such as zoning, specific plan or subdivision approval to grant such approval as a part of the City's ongoing planning and land use approval process. In granting such approval, the City reserves such rights as may be permitted by law to modify such approvals in the future as the City Council determines the public health, safety, welfare and interest may require. Such approval when granted is subject to a condition that the construction of any part of the development does not, standing alone, grant any rights to complete the development of the remainder of such development. Construction of public improvements to serve undeveloped land financed through a community facilities district shall not vest any rights to the then existing land use approvals for the property assessed for such improvements or to any particular level, type or intensity of development or use. Applicants for a Development Related CFD must include an express acknowledgment of this policy and shall expressly waive on their behalf and on behalf of their successors and assigns any cause of action at law or in equity including, but not limited to, taking or damaging of property, for reassessment of property or denial of any right protected by USC Section 1983 which might be applicable to the properties to be assessed.

## **METING DATE** August 8, 2007

## **AGENDA ITEM NO.**

ITEM TITLE A RESOLUTION OF THE CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SEND THE DRAFT 2005-2010 HOUSING ELEMENT TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

## **DIRECTOR/DEPARTMENT** Gary Halbert, Development Services

## <u>SUMMARY</u>

Approval of this resolution would authorize the City Manager to send the 2005-2010 Draft Housing Element to the State Department of Housing and Community Development (HCD) for a determination of substantial compliance with state law. Funding eligibility for several state and regional housing, infrastructure, and community facility programs requires adoption of a current HCD-certified Housing Element.

The Draft 2005-2010 Housing Element continues several successful programs from the 1999-2005 Housing Element and modifies a number of other existing programs to clarify objectives and reference recent changes in state law. Some existing programs were removed due to ineffectiveness or redundancy, while new programs were created to address issues not covered in the current Housing Element and as required by State law or HCD. New programs are proposed to address transitional housing, reasonable accommodation, and group care facilities.

The Draft Housing Element residential sites inventory will be a primary focus of HCD's review. The Draft Housing Element proposes the creation of a new High Density Residential (R-30) land use designation and zone district that could facilitate the construction of lower and moderate income housing at a minimum density of 30 units per acre on a portion of the Las Colinas/Edgemoor Skilled Nursing Facility site within the Town Center.

## **ENVIRONMENTAL REVIEW**

The action does not constitute a project pursuant CEQA Section 21065 and therefore environmental review is not applicable.

## **FINANCIAL STATEMENT**

Not applicable.

## **RECOMMENDATION**

Authorize the City Manager to forward the Draft 2005-2010 Housing Element to the California Department of Housing and Community Development (HCD).

## **ATTACHMENTS**

Staff Report Resolution

Draft 2005-2010 Housing Element

## STAFF REPORT DRAFT 2005-2010 HOUSING ELEMENT CITY COUNCIL MEETING AUGUST 8, 2007

#### A. BACKGROUND

The State requires that all cities and counties prepare a housing element of their general plan approximately every five years and that they submit their housing elements to the State Department of Housing and Community Development (HCD) for a determination of substantial compliance with state law. This requirement applies to charter and general law cities and counties.

In 2003, the City self-certified the 1999-2005 Housing Element pursuant to AB 1715 and consistent with criteria established by SANDAG's Housing Element Advisory Committee. Jurisdictions that choose to self-certify are exempt from the HCD review requirement. Santee does not meet the State criteria to allow self-certification of the Draft 2005-2010 Housing Element. Self-certification eligibility required the production of at least 1,152 lower income housing units over the 1999-2005 planning period.

The City facilitated the production of lower-income housing during the 1999-2005 planning period with the substantial rehabilitation of Shadow Hill Apartments and the newly constructed Laurel Park Apartments, resulting in the production of 215 lower income units. Because the City is unable to self-certify the 2005-2010 Housing Element, the document is subject to State HCD review.

HCD certification of the Draft 2005-2010 Housing Element would provide a number of City benefits including a rebuttable presumption of validity for any legal challenges and eligibility for funding from a number of regional and State programs including the State HCD Workforce Housing Reward Program, Proposition 46-funded affordable housing programs, and Proposition 1C infrastructure/community facility programs.

#### B. ANALYSIS

#### **Public Participation**

On January 18, 2005, the City held a public workshop for residents, and housing, public and social service providers to solicit input regarding the community's housing needs for the 2005-2010 Housing Element. The workshop was attended by over 40 members of the public, and comments received at this workshop were used to help establish housing element goals, objectives, policies, and programs.

#### **Draft 2005-2010 Housing Element**

The Draft 2005-2010 Housing Element includes the following components:

#### Introduction

The introduction includes an overall description of the Housing Element purpose and content, a review of State housing element requirements, identification of data sources and

methodology used in preparing the draft document, and a description of the public participation process.

#### Community Profile

The community profile provides analysis of the City's demographics, housing characteristics, and existing and future housing needs. The analysis includes households overpaying for housing, living in overcrowded conditions, or with special housing needs (e.g., seniors, large families, single-parent households), housing units that need rehabilitation, an assessment of the rental and ownership housing market, and assisted affordable units at-risk of converting to market-rate.

#### Analysis of Constraints on Housing Development

The analysis identifies constraints on housing production and preservation including potential market, governmental, policy, and environmental limitations to meeting the City's identified housing needs. The primary focus of this section of the Housing Element is City development standards and policies that may limit the amount and type of housing that can be built to meet the needs of all economic segments of the community.

#### Identification of Housing Resources

This section includes an assessment of resources available to meet the City's housing production and preservation objectives. Resources include land available for new construction and redevelopment, as well as available financial and administrative resources. The residential sites analysis is also included in this section.

#### Evaluation of Accomplishments under the 1999-2005 Housing Element

Programs of the 1999-2005 Housing Element are evaluated in this section. This section also describes current programs that are proposed for elimination or modification.

## Housing Plan for the 2005-2010 Planning Period

The final section of the Housing Element includes policy statements and City goals and objectives to address identified housing needs and reduce constraints on the production and preservation of housing. The housing plan includes programs that will help the City achieve the Housing Element's goals, objectives and policies.

#### Regional Housing Needs Assessment (RHNA)

SANDAG developed a Regional Housing Needs Assessment (RHNA) based on the California Department of Housing and Community Development (HCD) determination for the region's "fair share" of statewide forecasted growth through 2010. Overall, the region needs to plan for an additional 107,301 units over the five year planning period.

Santee's share of the regional housing need for the 2005-2010 period is allocated by SANDAG based on a number of factors, including recent growth trends, income distribution, and capacity for future growth. Santee was assigned a future housing need of 1,381 units for the 2005-2010 planning period, representing 1.3 percent of the total regional housing need. The City's 2005-2010 Housing Element provides a plan to accommodate its share of

the regional housing need for all income levels, specifically: 317 very low income<sup>1</sup>, 241 low income<sup>2</sup>, 261 moderate income<sup>3</sup>, and 562 upper income units.

The RHNA methodology permits jurisdictions to count the number of new units issued building permits or certificates of occupancy since January 1, 2003 toward their regional housing needs goals. The City may also take credits for existing units made affordable through acquisition/substantial rehabilitation of dilapidated units, preservation of at-risk housing, and purchase of affordability covenants, subject to specific State-established requirements.

Table 1 summarizes Santee's RHNA credits since January 1, 2003 and remaining housing need through June 30, 2010. Although the State housing element law is multifaceted, the identification of adequate residential sites to accommodate the remaining housing need for each income category identified in Table 1 will be a primary focus of HCD's review of the Draft 2005-2010 Housing Element.

#### Residential Sites Inventory

The Draft 2005-2010 Housing Element identifies undeveloped or underutilized sites to accommodate the remaining housing need from Table 1 below. HCD determines the adequacy of each site identified for lower and moderate income housing on a case-by-case To demonstrate adequacy, the housing element describes a realistic capacity potential by demonstrating that identified sites are appropriately zoned, served by infrastructure, and not unduly constrained by environmental or land use factors. identification of a site as being of suitable density for the development of low or moderate income housing does not obligate the City or property owner to provide affordable housing or limit the ability to approve market rate housing.

Table 1 RHNA Credits and Rema	ining Need	d		
l	DUMA	Rehabilitation		Remaining
Income	RHNA	Credits	Credits	Need
Very Low (<50% AMI)	317	5	90	222
Low (51-80% AMI)	241	15	68	158
Moderate (81%-120%				
AMI)	261	0	0	261
Above Moderate (>120%				
AMI)	562	0	601	0
Total	1,381	20	759	641

Assembly Bill 2348, effective January 2005, established criteria to assist local governments and HCD to evaluate the adequacy of identified sites for lower income households. The legislation also established threshold densities for lower income housing based on jurisdiction population. Under AB 2348, undeveloped sites of appropriate size in Santee that are zoned to permit a minimum density of 30 units per acre, served by infrastructure, and free of environmental constraints, are considered by default to be adequate for lower income housing.

<sup>3</sup> Moderate income households earned \$58,300 (1-person) to \$90,000 (5-person) in January 2007.

<sup>&</sup>lt;sup>1</sup> Very low income households earned \$24,550 (1-person) to \$37,900 (5-person) in January 2007.

<sup>&</sup>lt;sup>2</sup> Low income households earned \$39,300 (1-person) to \$60,650 (5-person) in January 2007.

#### R-30 Site

The City Council authorized staff to proceed with a phased work program at the June 13, 2007 City Council meeting. The work program includes a proposal to create and apply a new R-30 High Density Residential (30 to 40 units per acre) land use designation and zone district to a 46.4-acre area of the Las Colinas/Edgemoore Skilled Nursing Facility property within the Town Center. Draft Housing Element Program 18 identifies 16.9 acres of this area as suitable (i.e., unconstrained by existing structures) for lower and moderate income housing and identifies actions for the City to amend the General Plan, Town Center Specific Plan, and Zoning Code to permit residential units at a minimum density of 30 units per gross acre by the end of Fiscal Year 2007-2008. At a minimum density of 30 units per gross acre, 14.1 acres of the site could accommodate 423 lower income units (Figure 1, Site 1a). The remaining 2.8 acres could accommodate 84 moderate income units (Figure 1, Site 1b).





A portion of the City's remaining moderate income housing need could be accommodated on an 8.1-acre site within Town Center (Figure 1, Site 2). The site is currently designated R-22 in the Town Center Specific Plan (22-30 units per acre). The 8.1-acre site could accommodate 186 moderate income units.

#### **Modified, Deleted and New Programs**

The following programs of the 1999-2005 Housing Element have been deleted or modified in the Draft 2005-2010 Housing Element:

- Program 6 Collaboration with Non-Profits: This program would be split into three new programs for the Draft 2005-2010 Housing Element. The first new program (Program 7) outlines City action to monitor and conserve at-risk affordable housing developments. The second new program (Program 8) specifies the City's supporting role to continue and expand the Section 8 Voucher program administered by the County. The City will also maintain a list of non-profit affordable housing developers for purposes of soliciting their involvement in affordable housing development in the City and review available federal and State financing subsidies and apply for these as feasible on an annual basis (Program 13).
- <u>Program 9 Density Bonus</u>: This program would be modified to reference compliance with recent changes in State density bonus law (Program 19).
- Program 10 Land Assemblage and Write-Down: The 2005-2010 Draft Housing Element does not continue this program. The City has identified affordable housing opportunities on land owned by the County of San Diego and therefore has prioritized its federal, state, and local funds to maximize affordable housing opportunities through other means of assistance.
- <u>Program 11 Senior Housing</u>: The program would be modified to eliminate senior housing development incentives. Programs 6, 13, and 19 of the 2005-2010 Housing Element would facilitate the development of senior housing. Also, the program's senior rent subsidy component would be combined with the Santee Mobilehome Rental Assistance Program (Program 9).
- <u>Program 13 City of Santee First Time Homebuyer Program</u>: Due to rising home values in the San Diego region, the program objective would be reduced to assist 10 lower and moderate income first time homebuyers annually (Program 11). The current program objective is to assist 15 income qualified households annually.
- Program 14 Homeless Assistance Program: The program would be modified to establish an objective of providing assistance to 33 homeless or near-homeless over the 2005-2010 planning period (Program 15). The current program does not identify a quantified objective.
- <u>Program 16 Land Use Element/Zoning Ordinance</u>: The program would be removed. New programs would address specific changes proposed to the Land Use Element and Zoning Ordinance (Programs 20-22).

- Program 18 Site Suitability Criteria: This program would be removed. Remaining undeveloped and underutilized parcels in the City are suitable for development at the range of densities identified in Draft 2005-2010 Housing Element residential sites inventory (Section 4, Housing Resources).
- <u>Program 19 Provide Regulatory Concessions and Incentives for Affordable Housing:</u>
   The program would be modified to reference recent changes in State density bonus law (Program 19).
- <u>Program 20 Efficient Processing</u>: The program would be removed. As a matter of course, the City makes every effort to process all development applications efficiently and to minimize review time. Priority permit processing for affordable housing projects may be an incentive addressed in the City's revised Density Bonus Ordinance pursuant to SB 1818 and SB 435 (Program 19).
- <u>Program 21 Review Development Fees</u>: The program would be removed. Waived, reduced, or reimbursed development and/or permit processing fees may be an incentive addressed in the City's revised Density Bonus Ordinance pursuant to SB 1818 and SB 435 (Program 19).
- <u>Program 22 Equal Housing Opportunity Services</u>: The program would be modified to state that the City will provide information on Equal Housing Opportunity Services on the City's website (Program 23).

The following programs are new for the 2005-2010 Housing Element

- Program 7 Conservation of Existing and Future Affordable Units: Between July 1, 2005 and June 30, 2015, two federally assisted housing projects with 230 Section 8 units are at-risk of converting to market rate housing. City staff will monitor the status of the 230 at-risk units at Carlton Country Club Villas and Rammton Arms. Staff would work with property owners, interest groups and the State and federal governments on an ongoing basis to conserve its affordable housing stock.
- Program 8 Section 8 Rental Assistance: The Section 8 rental assistance program
  extends rental subsidies to very low-income (up to 50 percent of AMI) families and
  seniors that spend more than 30 percent of their income on rent. The City would
  continue to contract with the San Diego County Housing Authority to administer the
  Section 8 Program.
- Program 15 Supportive Services: This new program for the 2005-2010 Draft
  Housing Element recognizes the City's existing allocation of CDBG funds to assist
  homeless and other service providers in meeting the immediate needs of persons
  with special needs, including the homeless or near-homeless in Santee.
- Program 17 -San Diego County Regional Mortgage Credit Certificate Program: This new program for the 2005-2010 Draft Housing Element recognizes the City's participation in a coalition consisting of the County of San Diego and several other cities to provide Mortgage Credit Certificates (MCCs). MCCs are certificates issued to lower and moderate income first-time homebuyers authorizing the household to take a credit against federal income taxes of up to 20 percent of the annual mortgage

interest paid. The mortgage payments are used to repay the bonds; there is no City guarantee required.

- Program 20 Housing for Persons with Disabilities: This new program includes amending the Zoning Code to formalize a process through which persons with disabilities can seek relief from zoning standards as necessary to ensure accessibility on a case-by-case basis in accordance with the Federal Fair Housing Act Amendments and the California Fair Employment and Housing Act.
- Program 21 Transitional Housing: This new program includes revising the Zoning Ordinance to regulate transitional housing to the maximum extent allowed by HCD. The amendment would permit transitional housing for six or fewer persons by right in residential zones as required by HCD. Transitional housing for seven or more persons would require a CUP in the R2, R7, R14, and R22 zones to ensure compatibility with surrounding uses. Potential conditions for approval to ensure compatibility with surrounding uses may include, but not be limited to, hours of operation, proximity to other residential care facilities, parking, fencing, security, loading requirements, and on-site management.
- Program 22 Group Care Facilities: This new program includes an amendment to the Zoning Ordinance for the regulation of group care facilities to the maximum extent practicable. Group care facilities that are located within 300 feet of one another are likely to create a "campus" effect resulting in an unwarranted intensification of uses in those neighborhoods and can have adverse impacts related to noise, traffic, and parking. The program would provide a mechanism for the City to address this potential over concentration of facilities. A Federal Exemption Permit (FEP) would be required to establish an unlicensed residential group care facility to serve the needs of persons with disabilities in the R2, R7, R14, and R22 zones. Prior to granting the FEP, the City would need to find that the use would not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity. In making this finding, the City may consider whether the group care facility subject to the FEP would be located within 300 feet of any other group care facility. The revision would also permit group care facilities serving six or fewer persons by right within all residential zones as required by State law.

#### C STAFF RECOMMENDATION

Authorize the City Manager to forward the Draft 2005-2010 Housing Element to the California Department of Housing and Community Development. (HCD) for review.

# RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO SEND THE DRAFT 2005-2010 HOUSING ELEMENT TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

WHEREAS, pursuant to California Government Code Section 65583 and California Government Code Section 65588(e), the Department of Development Services prepared a Draft Housing Element for the 2005-2010 planning period; and

WHEREAS, pursuant to California Government Code Section 65583.1, the City must submit the 2005-2010 Draft Housing Element to the State Department of Housing and Community Development (HCD) for review and a determination of substantial compliance with state law; and

**WHEREAS**, the action before the City Council does not constitute a project pursuant CEQA Section 21065 and therefore environmental review is not applicable; and

WHEREAS, the City Council considered the 2005-2010 Draft Housing Element,

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Santee, California, after considering the staff recommendation, as follows.

**SECTION 1:** The City Council authorizes the City Manager to send the Draft 2005-2010 Housing Element to the California Department of Housing and Community Development for review.

**ADOPTED** by the City Council of the City of Santee, California, at a regular meeting thereof held this 8<sup>th</sup> day of August, 2007, by the following roll call vote to wit:

• \ / E O

AYES:		
NOES:		
ABSENT:		
	APPROVED:	
	RANDY VOEPEL, MAYOR	
ATTEST:		
LINDA A. TROYAN, MMC, CITY CLERK		

## **DRAFT 2005-2010 HOUSING ELEMENT**

Not available electronically Available in City Clerk's Office

**MEETING DATE** 

August 8, 2007

**AGENDA ITEM NO.** 

ITEM TITLE

APPROPRIATION OF FUNDS TO PAY FOR THE CONSTRUCTION OF PUBLIC IMPROVEMENTS INCLUDING WATER MAIN AND CONDUIT INSTALLATIONS NECESSARY FOR TOWN CENTER COMMUNITY PARK LOCATION: RIVERWALK DRIVE WEST OF PARK CENTER DRIVE.

**DIRECTOR/DEPARTMENT** Gary Halbert, Development Services

## **SUMMARY**

The Riverwalk residential subdivision project was approved by City Council Resolution No. 58-2004. During the course of construction of the project, the applicant, Standard Pacific, constructed certain public improvements at the request of the City, which are subject to reimbursement upon acceptance by the City. As part of the public improvements, Standard Pacific installed a reclaimed water main required for Town Center Community Park and conduits for the undergrounding of overhead utilities currently traversing through the park. The installation was coordinated with the street construction to avoid additional paving costs and having to open cut the new street as well as to coordinate with the County of San Diego's installation of conduits through the Edgemoor Skilled Nursing Facility project.

The improvements are necessary for the development of Town Center Community Park. Town Center Community Park is located entirely within the City's Redevelopment Project Area. At its April 11, 2007 meeting, the CDC, with the consent of the City Council, approved the expenditure of Redevelopment Funds for the construction of Town Center Community Park, having received the required reports and made the required findings pursuant to the Community Redevelopment Law.

The payments will be made to the City for payment of amounts due under the Reimbursement Agreement with Standard Pacific. City Council acceptance of the improvements and approval of the Reimbursement Agreement are requested as separate items on the City Council's agenda. The City Council is also requested, as part of the request for approval of the Reimbursement Agreement, to appropriate Traffic Mitigation Funds for payment of costs of some of the improvements completed by Standard Pacific.

## FINANCIAL STATEMENT

Sufficient Redevelopment Funds are available for appropriation to cover the cost of reimbursement.

## **RECOMMENDATION**

Appropriate \$525,913.92 in Redevelopment Funds to reimburse Standard Pacific Homes.

## **ATTACHMENTS (Listed Below)**

Resolution

# RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SANTEE, CALIFORNIA APPROPRIATING FUNDS TO PAY FOR THE CONSTRUCTION OF PUBLIC IMPROVEMENTS INCLUDING WATER MAIN AND CONDUIT INSTALLATIONS NECESSARY FOR TOWN CENTER COMMUNITY PARK

WHEREAS, pursuant to the provisions of California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*) ("CRL"), the City Council ("City Council") of the City of Santee ("City") approved and adopted a redevelopment plan for the Santee Community Redevelopment Project Area ("Project Area") by Ordinance No. 58 on July 20, 1982; which has been subsequently amended (as amended, the "Redevelopment Plan"); and

WHEREAS, the City of Santee Community Development Commission ("Agency"), is engaged in activities necessary to carry out the Redevelopment Plan; and

**WHEREAS**, at the request of the City and the Agency, during construction of the Riverwalk residential subdivision (approved by Resolution No. 58-2004), the Applicant, Standard Pacific Homes, completed certain public improvements related to the installation of a reclaimed water main and dry utility conduits (the "Public Improvements"); and

**WHEREAS**, the Public Improvements are located within and are necessary for the construction of Town Center Community Park, a publicly-owned park located entirely within the Project Area; and

**WHEREAS**, the City Council has approved or will approve a Reimbursement Agreement with the Applicant to pay for the costs of the Public Improvements, totaling \$635,302.97; and

**WHEREAS**, the City Council has approved or will approve the appropriation of a portion of the costs of the Public Improvements from Traffic Mitigation Funds, in the amount of \$109,389.05; and

**WHEREAS**, with the City Council's consent, the Agency is authorized under CRL Section 33445 to use the Agency's tax increment funds which it receives pursuant to CRL Section 33670 to pay for all or part of the cost of constructing publicly owned improvements upon making certain findings; and

**WHEREAS**, in accordance with CRL Sections 33445 and 33670 and pursuant to Resolution No. 025-2007, the City Council has consented to the use of Agency tax increment funds to pay for all or part of the cost of constructing necessary improvements for Town Center Community Park; and

**WHEREAS**, in accordance with CRL Sections 33445 and 33670 and pursuant to Resolution No. CDC 001-2007, the Agency has appropriated redevelopment funds for the purpose of paying the cost of constructing necessary improvements for Town Center Community Park; and

## NOW, THEREFORE, THE COMMUNITY REDEVELOPMENT COMMISSION OF THE CITY OF SANTEE DOES HEREBY RESOLVE AS FOLLOWS:

<u>Section 1.</u> Appropriation. Pursuant to the findings made in CDC Resolution No. 001-2007 and with the consent of the City Council as evidenced by Resolution No. 025-2007, the Community Development Commission of the City of Santee hereby appropriates Agency redevelopment funds in the amount of Five Hundred and Twenty Five Thousand Nine Hundred and Thirteen Dollars and Ninety-Two Cents (\$525,913.92) to the City for payment of costs due pursuant to the Reimbursement Agreement for the construction of the Public Improvements, as necessary for the construction of Town Center Community Park.

**Section 2**. **Effective Date**. This Resolution shall take effect upon its adoption.

**ADOPTED** by the Santee Community Development Commission at a Regular Meeting thereof held this 8<sup>th</sup> day of August, 2007, by the following roll call vote to wit:

AYES:	
NOES:	
ABSENT:	
	APPROVED:
ATTEST:	RANDY VOEPEL, MAYOR
LINDA A. TROYAN, MMC, CITY CLERK	<u> </u>